

GUNBOAT DIPLOMACY • THE KING IS BACK

CANADA'S WEEKLY NEWSMAGAZINE

MARCH 20, 1995 \$3.50

Maclean's

SHIFTING GROUND

WHEN MONEY TRADERS RULE
THE WORLD,
THE OLD RULES
CRUMBLE



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CANADA'S WEEKLY NEWSMAGAZINE
MARCH 20, 1995 VOL 112 NO 12

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Shifting ground

28 The constant movement of capital around the world and wild swings in foreign exchange rates reflect some profound shifts in the international balance of power. The traditional domain of the sovereign state is being tested by the growth of international trade agreements and by the globalization of capital markets. And currency traders and foreign creditors frequently have the ultimate control over corporate fortunes and government policies.

Gunboat diplomacy

10 Angered by the refusal of European nations to stop fishing off Newfoundland's Grand Banks, Fisheries Minister Brian Tobin ordered a Spanish fishing vessel seized at gunpoint. It could be the opening shots of a full-scale fish war.



The world at his feet

45 Declining champion Elena Stolbova arrived at the 1995 World Figure Skating Championships in Birmingham, England, to find people wondering if his injured ankle would hold up to competition. They need not have worried. The ankle, like Stolbova's unfortunate split, proved too strong for the rest of the world once again.

The fall of an Ottawa empire

16 The bankruptcy of Ottawa developer Joe Perez has provided tailoring gilmores into a complex business empire. Court documents show Perez made substantial payments to Liberal Senator Pierre De Bois and to a company connected to Canada Post chairman Georges Clermont.



PHOTO BY ANDREW M. COOPER FOR THE CANADIAN PRESS; TOP: BOSS

Who Elected Them?

It's beginning to dawn on citizens around the world that their governments are no longer in charge. Gone are the days when statesmen settled great issues of war and peace. Now, political power rests with those who profit at the cost of the people. A new breed has risen to take the real reins of power, often faceless, always unfeeling and accountable only to the bottom line. The new global elite is composed of international money traders, and there is no watching them close.

A prime example is Nicholas Leeson, 38, who literally left the firm, bringing the prized investment banker Barings, plc to its knees. A once-concentrated power broker in Vancouver, British Columbia, he was asked by Canada in Monday's Investors Service Inc. That Manhattan agency's warning on Canada's debt, days before the federal budget last month, drove the dollar down and forced interest rates up. And let us forget, there is Toronto-based Albert Fiedlberg, 45, founder of Macmillan-Macmillan Group and a leading expert on currency. He caused a worldwide run on the Canadian dollar in January when he suggested that Canada would not tackle its debt problems without "a massive crisis."

Governments throughout the world are getting the same treatment. Before Mexico managed to calm markets with yet another financial plan last week, the government fessed the notion of a 10 per cent increase to finance the modernization of social programs. Business leaders quickly took to the streets in protest, sending the government back to the drawing boards. In Washington, the powerful Federal Reserve chairman Alan Greenspan pointedly chose not to use the word "rate" in connection with the phrase "annual rate"—for fear that he would cause yet more panic on the dollar. In one day last week, before stability overtook the



Traders in Paris: a new breed taking the reins of power

money traders as they headed for their embassies in the weekend conferences in Britain, France, Spain, Portugal and Switzerland fell to record lows.

Who elected these guys, anyway?

Admittedly, for the most part they are temporary, making money for others in a global game that is driven by a variety of factors—the census in Mexico, the large debts of many nations, the fact that American banks literally are leaders in the world, especially the lead of Sooy and Toyota, the now-world authority of Germany, now that the Cold War and communism are dead.

But some of the players also are really out there, resounding to the slightest little tick or graze of the trader on the next phone, belching on cameras or running or barking, chasing downies with mops from the school yard, accusations, shuffles and caps. As one trader told Bloomberg's Lou Della Russo: "Chief Traders Wallack last week. You're just standing there about, concerned only with what will cause the markets move in the next week, with no regard for long-term trends at all. The day I caught up with [Wallack] saying, 'Oh god, unemployment's up, because I made money on it a deal, was the day I quit.'" After a late-afternoon rally of the American dollar last week in New York, one trader told *The Wall Street Journal* that the rebound was caused by single exhaustion. "People," he said, "are just spent."

One can only imagine why.

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HUGO BOSS



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LETTERS

Taxing burden

Reading your cover story on the rapidly increasing tax burden imposed on middle-income Canadians, I was immediately incensed by its attack on the rich attitude ("The middle class...blows away," March 10). That is the problem with our country instead of encouraging individuals to work harder, the next someone comes, the more is taken away to "reward" those who act less hardworking.

Alison Glover,
Toronto



supply the capital it needs" should read "requires a partner" who is able to supply capital. This is of great importance to us as we are currently searching worldwide for such a partner.

Mervyn W. Tepp,
President, Mervac
RustGor Corp.,
Saskatoon

Cost of liberty

I am appalled at Barbara Amiel's column on the so-called loss of liberty in Canada ("On liberty, Larry King, and driving alone," March 6). I have returned to Canada after living in the United States for 10 years, where there is the perception that smaller government creates greater freedom. To that I say you, freedom to buy a gun, freedom not to afford health care and freedom to live in constant fear of violence from those who have nothing left to lose.

Jamy Sly,
Toronto

I wish to assure the rest of the country that not all Albertans are as neopatriotic or self-serving as Jason Kenney and his Canadian Taxpayers Federation. Although I strongly share the goal of a balanced budget, I would prefer to see it done with some increased taxes, along with a reduction in government spending through more effective programs. Some of us in Alberta will remember what we learned in kindergarten: we like to share.

Bonny Wilson,
Calgary

I do not and cannot feel sorry for the accused who earns \$88,000 a year. I am a federal government clerk, my gross salary is \$29,580. There are roughly three million people in this country earning between \$25,000 and \$35,000. When I read stories like this one, I feel as if I do not count.

Harriet Stevens,
Ottawa

Striking back

Here are a few of the more blatant ways Hitler is like Fotheringham's "A tale of two veterans" column (March 6). The *Callum Sherr News*, which equates me as a callous, anti-social "small West Vancouver twerp" (it is published in North Vancouver) frequently uses a word Hitler did not "fondly" as writing for it. It has since gone to just 10 readership. Still, he got the last of my book wrong. And although I was born German, I was not in Berlin when the Americans invaded it in World War II. He says I have "no bone roots for my 'championship' of such nut-

Partner wanted

In the article "Change the face of the firm" (Business, March 6), we would like to point out that the quote "M&B is preferable raw, but to expand, it requires a partner who is able to

Markets continue to evolve, but let's not forget the past and many "classic" items remain popular and deserve another look. Photo: reillyphoto.com

CORRECTION

Two charts in the March 12 issue of Maclean's contained inaccurate information concerning the national sales and shipping payments on the debt. In fact, the federal finance minister projected that the national sales will increase from \$357.5 billion in 1995-1996...and national payments on the debt are projected to go from \$64.5 billion in 1995-1996 to \$62.7 billion in 1996-1997.

Extract rock from ground. Separate metals. Add garlic.



Just what is a mining company doing in a fine restaurant? To tell you the truth, just about everything. The dining, slicing, steaming and frying. Because nickel, our main product happens to be a key ingredient of stainless steel.

And stainless steel, as the chefs among us know, makes for perfect cookware and utensils. It's hygienic and won't transfer food's taste or odour. Which is why it's been welcomed into so many establishments, including your home.

But stainless steel isn't the only product we're involved with that's familiar to you

Because the nickel and other metals Inco mines and produces find their way into all kinds of everyday things, such as television remote controls, thermostats,

compact discs and mobile phones.

Now, we're not likely the first thing that comes to mind when you use any of these items. But that isn't the point. We've never concerned ourselves all that much with becoming a household name. We've been busy enough becoming a household necessity.

INCO

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Healthy Bites

Don't Go
the Way of
the Dinosaur



How did dinosaurs get the calcium needed to maintain such massive skeletons? It's a cliché they didn't eat too many milk products. The answer is, that unlike humans, dinosaurs could easily get the calcium they needed from other food sources - as can other living animals with differently designed intestines.

For humans to get the amount of calcium they need from food, without consuming milk products, is extremely difficult. Due to the quirks of our metabolism, the calcium in most other foods, like fruits, vegetables and legumes, is poorly absorbed. It's just not very bioavailable to the human digestive system.

Hypertension HYPE

Is reducing salt the first thing you think about when you hear high blood pressure? It turns out that the diet-blood pressure link may not be quite so simple.

An accumulation of research is showing that too little sodium, potassium and magnesium also plays an important role. All the more reason to concentrate on a balanced diet - with emphasis on fruits and vegetables to supply plenty of potassium and magnesium and milk products for potassium, magnesium and calcium.



Cold cuts, potassium and magnesium play a role in blood pressure.

What a person has to eat to get the same amount of bioavailable calcium as provided by a single serving of milk, cheese or yogourt.

- | | |
|----|--|
| 2 | Servings
of almonds |
| 5 | Servings
of broccoli |
| 15 | Servings
of cooked spinach |
| 12 | Servings
of cooked red kidney beans |

The Polishing Stones in the Operating Room?

It's not such a far-out idea. A study published in the *Journal of the American Medical Association* found that music improves the speed and accuracy of a surgeon's performance. It goes on to report that *when the surgeon is the one to choose the music performance is even better*. Satisfaction, indeed.

Happy Calcium to You!



NATURALLY STRANGE

Health buffs who think it's more "natural" to get calcium from supplements rather than milk products have an interesting perspective. What's natural about consuming ground-up shell-filled oyster shells, excess bones or dolomite? Not to mention the fact that supplements of so-called "natural sources" may be "naturally" contaminated with lead and/or aluminum.

From the Dairy Bureau of Canada

Maclean's

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OPENING NOTES

A DALI OF AN AUCTION

Before her death last October at the age of 84, she was known the world over for her wealth, her philanthropy—and her reclusive style. Lady Beaverbrook, born Maria Augusta Chiesakowski, was married to two powerful New Brunswick industrialists—Algoma Steel magnate Sir James Dunn, who died in 1956, and Max Aitken, Lord Beaverbrook, who passed away one year after their wedding in 1963. Few moments at St. Andrews, N.B., ever got a glimmer of Dali-esque, her sprawling estate. Until recently, that is. The mansion, with 12 bedrooms and 12 bathrooms, is up for sale for \$1.5 million. And the new owner, Lady Beaverbrook's daughter, stipulated that its contents be auctioned off with the money going to charity. Some of the



The *Madonna of Port Ligat* proceeds to charity

THE PUCK STOPS HERE

Enthusiasm over the Quebec Nordiques' recent owner performance—the Quebec City franchise will sit tight atop the NHL standings last week—has been damped somewhat by a questionable call in the boardroom. Team management complained about a phone-in poll that *Le Soleil*, Quebec City's largest daily newspaper, conducted on March 3. "Are you in favour of public funds to save the Nordiques?" Marcell Audet, team majority owner and president, has said reportedly that he will sell the Nordiques if he does not receive "substantial" public funding for a new 19,000-seat arena. Still, 2,313 readers voted against taxpayer funding



Audet requesting "substantial" funding

CIVIL SURFING

Just what are the civil liberties of those surfing the Internet? That answer is at major concern to many people, including three professors of computer science at universities across Canada, who late last year founded Electronic Frontier Canada. They want to ensure that the principles enshrined in the Charter of Rights and Freedoms are protected. David Jones, a professor at McMaster University in Hamilton who is one of the group's founders says, for instance, that electronic mail should be regarded as confidential as a letter in telephone form.

Some recent legal disputes, however, indicate that the law is still out on the issue of cyberspace monitoring. In an Ottawa case, paralegal Ken Scanlon-Hamby, 48, was jailed for three weeks before Correctional Services claimed him of violating a condition of his parole. His had posted a Usenet query in an amateur gun discussion group along several other messages for gun powder and bullets on behalf of a friend with a gun collection. In another case, officials at the University of Georgia, Ga., voluntarily handed over records of computer petitions to police investigating charges of unauthorized use of a computer and mail-based charges against an individual who withdrew when a university report acknowledged that anyone could have been the culprit because plaintexts were easily snared by the consciousness of the unscrupulous providing computer correspondence without a search warrant was never determined. Big Brother, it may turn out after all, is watching.

POP MOVIES

Pop culture in Canada is still recovering from a year of decline. But Nordiques management may pose a second question—"Are you in favor of the creation of a lottery or a crane to save the Nordiques?"—which *Le Soleil* agreed to pose. Says per cent of 1,300 respondents there and "Yes," that a leaked internal memo reveals that Nordiques executives urged their 50 office employees to participate in the poll. "If the Nordiques leave Quebec," explains Nordiques spokesman Jean Martineau, "we will be the first ones affected." Besides adding Maritimes, who says he does not know how many employees obeyed the memo, "20 people couldn't make that much difference." Talk about skating on thin ice.

—ROBERT GREENE/AMERICAN PRESS INC.

FINE PRINT

It is an old-fashioned version of multi-tasking, instead of working on several computer projects at once, some Canadians have some books on the go at any time. Authors have asked a couple of them about their multi-reading:

Vicki Gabereau Vancouver-based host of CBC Radio's afternoon program *Gabereau*.

Current readings: *The Pig*

by Andrew Cowan; *The Cambridge Encyclopedia*; and *Made in America: An Artificial History of the English Language in the United States* by Bill Bryson.

Concurrent: *The Pig* simply arrived one

morning with a friend and was left behind.

I'm taken with it. And now I find out it's a

"big name" book—people are talking about it. It's a little novel about a Scottish boy



growing up and his grandfather's pig. The *Encyclopedie* is by my bed. It's always there. I read it every day.

Serry Steverlyn Halifax-based adventure and ecotourism driver.

Recent readings: *Turkey: The Rough Guide* by Ross Apthorpe; *More Guts and John Gowtown: The World of Steam Railways* by Colin Garnett; *Impossible Journey: Two Against*

The Silence by Michael Arden.

Concurrent: *Steam Railways* is about a lost world. It is perfect reading for a Vigo with a physics degree—the last word on steam railways. In *Impossible Journey*, an Englishman lives his dream of crossing the Sahara desert with a camel and his Italian wife.

A CHICKEN IN EVERY POT, EH?

It is now official the first candidate to challenge BC Liberal Chris Uhlmann's nomination for re-election as the December 1998's next prime minister. His bid has sparked a debate of three: says that he has cracked marijuana and avoided the Vietnam War through draft deferrals. But as like the incumbent, Daniel, who grew up in a family in London, N.H., and moved to Victoria in 1970s—says that living in Canada has shaped his political views on such matters as gun control and universal health care. "I was horrified during the last election by how badly Canadian welfare was mismanaged," he told Maclean's. "I would like to say, 'Of course, as a result of ongoing discussion in Canada as society, and, in reality, every political party from the far right to the far left supports it in its essence.' The United States could learn a great deal from Canada," said the chief.



Daniel Uhlmann
organizing for
fathers

Uhlmann, a self-styled "liberal Democrat," says that he plans to run in next February's New Hampshire primary as "a serious candidate, with a serious purpose." His goal: to

Edited by BARBARA WICKLESS

BEST-SELLERS

FICTION

1. *The Celestine Prophecy*, James Redfield (3/)
2. *Politically Correct Bedtime Stories*, Tom Fazio (3/)
3. *Just Desserts*, E.L. Doctorow (3/)
4. *Home*, Michael Ondrejka (3/)
5. *The Big Book of Words*, Jeffry Gold (3/)
6. *Plain Pictures*, Charles Fiterman (3/)
7. *Percent*, Peter Golen (3/)
8. *Requiem for a Nun*, D.J. Connelly (3/)
9. *Laughing at the Wolf*, G.W. Carver (3/)
10. *Myth Makers*, Philip Morris (3/)
11. *Shattered Lives*, Michael Dorris (3/)

—PUBLISHERS WEEKLY

NONFICTION

1. *On the Table*, Steve Cosman (3/)
2. *Kiss Me With It: Lessons Learned* (3/)
3. *The Women-Buffett Way*, Robert Johnson (3/)
4. *Antisemitism in Mass. Since 1945* (3/)
5. *Warning in the Burned House*, Paul Austerlitz (3/)
6. *Being Digital*, Nicholas Negroponte (3/)
7. *Booster Mama*, Edith Wharton (3/)
8. *Felicity Avenue*, Wilma Dykeman (3/)
9. *A Discovery of Strangers*, Judy Pfeifer (3/)
10. *The Burning Man*, Adrienne Davis (3/)

—PUBLISHERS WEEKLY

PASSAGES

HIRE: Michael Jordan, 32, No. 23 overall draft pick at a professional basketball career and widespread speculation that the former NBA superstar would return to the Chicago Bulls Jordan, who earned more than \$80 million in endorsements last year and \$14,000 as a minor-league baseball player in the Chicago White Sox organization, said the continuing major-league baseball situation in an English magazine made it impossible to "concentrate on my ownership at a reasonable price."

Until his surprise retirement from the Bulls in November 1993, Jordan, who practiced with his former team last week was basketball's top drawing card and had become an international celebrity. He led the Bulls to three consecutive NBA championships before his retirement.



AWARD: The Silverline 2000 Teleglobe Prize for British-born physical and social Paul Davies, 61, for his contributions in religious thought and inquiry by a nine-member panel that included George Bush and Margaret Thatcher, in New York City. Established by investor Sir John Templeton in 1973, the annual award recognizes individuals who have advanced public understanding of God or spirituality. A Canadian recipient, Davies' work in advances in science help others often derived from a belief in the existence of God.

RECOVERING: US boxer Donald McClellan, 27, was on life support after suffering total amnesia after a 200-square-mile wildcat bout in a London hospital. Doctors who removed a massive blood clot from his brain said McClellan is no longer in critical condition after beginning to wake for himself.

WOMEN: Italian director Francesco Zeffirelli, 72, "substantially" damages against the British weekly film magazine *Screen International*, which alleged he was a fascist. Zeffirelli, elected to the Italian Senate 25 days as a member of former premier Silvio Berlusconi's Forza Italia party, said he would give the money to the Royal College to be used for charitable purposes in Italy.

OBITUARY: Edward Bernays, 100, known as the father of public relations, at his home in Cambridge, Mass. Associated with Sigmund Freud, Bernays used psychology to promote a wide variety of products and ideals—from Erico Canham and Henry Ford to every president from Calvin Coolidge to Dwight Eisenhower.

Company's Due In 15 Minutes And There's No Time To Make Dessert...

What Do You Do?

Take a Sara Lee cheesecake from the freezer and cut it into six portions. Melt dark, bittersweet chocolate and drizzle it onto individual plates. Place a slice of the smooth and creamy cheesecake on each one, then add fresh fruit as a garnish.

Your own rich and delicious chocolate swirl cheesecake, ready in minutes.

When the company arrives, tell them you've done something extra special for them... as usual!

Me and Sara Lee

Sara Lee



AN AMERICAN VIEW



perhaps they were supposed to have in the first place. "You do not take a person who for years has been held by discriminatory laws, bring him to the starting line of a race and then say, 'You are free to compete with all others,' and still justify because you have been completely lied," Leff observed.

Johnson favored an approach that gave minorities special consideration under certain circumstances—how he would the cycle of discrimination? He believed that not until Richard Nixon (himself) was made to feel affirmative action because he "Almost singlehandedly while even before becoming president that blacks and women were going over the world, and they were discriminated against, and that the old kind of affirmative action should be removed, the sort that benefits white men."

Were there fines under the new rules when regulations were strictly enforced, or when a highly qualified white man lost a job or a promotion or a college acceptance to a less-qualified black or female? Of course, but it was not the case in the beginning, nor is it the case now, that minorities hit the picket at the expense of white America. This is a fantasy fed by politicians trying to control votes, and the lenses of rightwing radio talk, yes, a number of *New York*—says black—who say affirmative action has unfairly aided minorities. Even the usually reliable Richard Cohen of *The Washington Post* announced he is withholding support. "Affirmative action obscures accountability," said Cohen. "It now probably does more harm than good."

Most of Americans agree with Cohen's assessment. Next year, California's likely vote on a referendum that would outlaw racial preferences, and analysis predict affirmative action will be a major issue in the 1996 presidential election, too. That causes trouble for Bill Clinton who does not want to jeopardize support with traditional civil rights advocates, but also fears that these isolated white men who supposedly handed Strom Thurmond victory in 1948, "The wages has turned," said Thurgood Marshall, one of two academics pushing the California initiative, in the name of what they say is racial equality. Wood recalls being passed over for a teaching job because he was a white male and says he wants to spare others similar treatment. "We're going to put a stop to this," he declares.

Meanwhile, it might be well for Wood to meditate on a recent episode at the University of California at Berkeley where 13 minority students received flyers to the love fest effect. "They say, you crystallographers who did not care to look, blacks are in the driver's seat, and all thanks to the crazy idea called affirmative action."

And for this, we have largely to thank radical social reformer Lyndon Baines Johnson. The old Texas senator had more faith than wisdom in his amendment, but Johnson was a populist at heart, and it was clear to him to dig up a heap of rhetoric about equal rights, America would come along with the goods. So Johnson succeeded to give the country a little advice on the matter of guaranteeing to minority citizens op-

BY FRED BRUENING

Here's a question for those unhappy white American males who complain affirmative action gives blacks unfair advantage. What about changing places?

If white guys really believe it suddenly is such a great thing to be black in the United States, let them move to the other side of the tracks and report back in six months. Let them get unswallowed by real estate agents and roughed up by cops. Let them try to find the laundry some night when the radiator is stone cold, and let them walk with the ruined arrows and ragged lots of black Neighbors. Once accustomed to their new surroundings, let them whites who scream about "reverse discrimination" have for a decent job—something that does not involve the charring of ground beef or the spouting of someone else's belief. See how steadily the doors of opportunity swing open. See just what kind of edge America gives you for being black. No question, this is your lucky day.

White people love to torture themselves with the belief that when a black presents himself at an employment office, the door and begins. Bosses tremble with excitement, like white applicants do the door; take the harvested and arrived at lunch at a four-star restaurant, send him to the executive health club and eagerly require him to sit starting date. Of course, the black individual is allowed to set his salary and dictate terms of his benefit package. Then, sometime run out and leaves him a \$40K, and, bang, the guy is on his way to wealth and power, and all because he has had the incredible good fortune to be born black in America.

There is a similar version of the story for college admissions. In this case, mediocre black kids from around the country are being ushered into places like Harvard and Yale while all the nice, bright white students are told, sorry, better check availability at

Fred Bruening is a writer with *Newsday* in New York.

In defence of affirmative action



GUNBOAT DIPLOMACY

Canada fires the first shots in what may become an all-out fish war with Europe

In a shore-based bottom-feeder—a paunch-filled fish with ugly, raised eyes that Canadian supermarkets can hardly give away. Not the sort of game, then, that would normally be expected to bring two nations to the verge of open warfare on the high seas. But last week, as the long-storming turbot fishing dispute between Canada and Spain boiled over into a dramatic clash across a 200-mile-wide ocean, a heroic machine-guns fire and the seizure of a Spanish fishing vessel, it became obvious that these are not ordinary times. Ottawa, after all, had finally bowed down from Atlantic fisheries and politicians in stand 'em and end 'em conflict in the Newfoundland inshore.

The week may have ended with a diplomatic stalemate, with Spanish vessels threatening to resume casting net on the lip of Canada's 200-mile fishing zone, and Fisheries Minister Diane Tobin promising more "heat actions" if they did. But her well-show of strength, at least for the moment, banished the prospect of a minister whose department is surely in need of new sort of high-profile victory.

In a way, Tobin's bold response actually carried a political risk. Foreign Affairs diplomats in Ottawa may have looked with burren on his attempts at gunboat diplomacy. But in his home province of Newfoundland, where 60,000 fishers' workers have been put out of work by intransigence to avoid depleted cod and cod-like stocks, he was universal pride for a tough stand against foreigners who they say have been plating fish at Canadian backyard for the past five years. Predictably, the 15-country European Union



The Erimo, the ship's captain, Ericson Davis (above left) in a dramatic chase; machine-gun fire and ship's sensor led by a self-styled "warrior of conservation"

fleets—even though domestic overfishing and environmental changes are almost certainly bigger factors. Everyone from Canadian diplomats to frustrated East Coast fishermen have tried to persuade Madrid, Lisbon and the United Nations to limit foreign fishing on the Grand Banks, for centuries the world's greatest fishing grounds. Always, though, the Europeans declined to take up their cause, the so-called "vetoing right" of consent—so areas designated to protect Canada's fisheries for decades when it comes to international threats to its own fisheries—and to reverse his own department's almost record of failing to end overfishing for cod and other fish species until stocks had fallen to dangerously low levels.

Tobin had shown in the past that he was not as back as his rough words with anyone. Last June, he signed a \$1,500 for an US fishing vessel to conduct a scientific survey of British Columbia's—now the last country to tackle Spain's fleet, which has a long-established reputation for ignoring international regulations and ravaging other country's fishing grounds. When the southwest African country of Namibia won independence in 1990, one of its first moves

was to declare a 200-mile coastal limit and kick out the Spanish boats depleting the fish stocks off its coast.

Unfortunately, those same boats set sail for the area known as the nose and tail of the Grand Banks. Since the bulk of the Spanish fleet arrived in 2001, its netfish catches have averaged of roughly 50,000 tons a year. Newfoundland fishers, however, have limited to just 3,000 tons last year, which raised fears about the future of one of the last remaining East Coast fisheries that has not been closed because of depleted stocks.

Tobin's thoughts it had not resolved the problem when the Northwest Atlantic Fisheries Organization (NAFO) set a 1995 quota of 3,000 tons for 200 miles, contained with 12,000 tons for

Canada's Terra Nova, Spanish and Portuguese fisheries, but they are entitled to no more. Their governments, through the NAFO, have challenged the NAFO quota. In the mean time, the owners of 100 boats operating off Newfoundland's nose and tail—most of Canada's executive fleet—drew up a list of potential retaliatory measures against Canada that experts say the list excludes nothing.

Now Tobin and Canada are willing to play the same vicious operation. By now, at least, the fisheries minister is talking tough. He says his stand has ground in the face of threats before—particularly by the United States, which bowed with outrage when he took strong steps against their fishermen. "The government has fully considered the consequences and the reaction



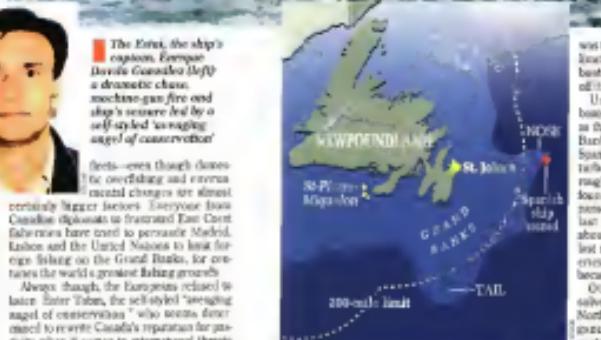
"Any government worth its salt must act to prevent the disappearance of another stock from the planet Earth," he declared during a news conference on March 6 in which he announced that Canada intended to seize what he called "pirate fishing" out of the Terra Nova's waters.

The terrain is mountainous, the EU threatened to send over weapons to protest its interests and rumors circulated through the media that the Canadian warship Terra Nova had been dispatched to enforce the 200-mile quota. Prime Minister Jean Chrétien tried to defuse the situation through diplomatic channels, by telephone conversations with several European leaders. But talk failed when he attempted to continue negotiations with European Union president Jacques Santer and the Spanish, French and Portuguese ships fishing in the disputed area had pulled in their nets and gone home. "You don't negotiate with a knife to your throat," a senior official in Chrétien's office told *Maclean's*. "You don't do while they are fishing out the stocks."

So Ottawa decided to use the sole legal avenue available. When the first boat and octopus patrol vessel carrying a team of RCMP and fisheries officers arrived last night, the Spanish crew cut their sail and fled. For four hours, the two vessels played hide-and-seek in the banks of thick North Atlantic fog. The chase ended when the Canadian ship fired a burst of machine guns fire across the flotilla's bow. Then, the armed boat was sent toward St. John's, where the skipper faces charges under Canadian fisheries conservation laws and the oven will likely be flown home.

The Europeans appear to be caught off guard by Canada's sudden burst of beligerence. In an emergency meeting, dozens EU ambassadors called for the arrest of the Terra Nova as against the sovereignty of a member state of the European Union. Spain dispatched a naval vessel ship to the area off Newfoundland to protest its fishing boats, EU research ministers immediately canceled plans to sign a previously negotiated scientific co-operation pact with Canada. And EU ambassadors told the European Commission's EU executive body—it drew up a list of potential retaliatory measures against Canada that experts say the list excludes nothing.

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area waters. In the process, he forced the Newfoundland government to cancel Canadian jurisdiction over legally-recognized on the continental shelf off Newfoundland.

His latest target: Spanish factory trawler Vénetos catching turbot on Newfoundland's Grand Banks. Canada, naturally, is not the first country to tackle Spain's fleet, which has a long-established reputation for ignoring international regulations and ravaging other country's fishing grounds. When the southwest African country of Namibia won independence in 1990, one of its first moves

in the lead of measures we've taken," Tobin told *Maclean's*. "There is no surprise here on our part." Clinton also expressed firm resolve. Noting that he personally agreed with the procedure to stay in the EU—including moving across the Atlantic—Clinton told a practical Liberal convention in Winnipeg that "we've done it for conservation purposes and we'll do it. Of course, if you do nothing, nothing will happen and all the species will disappear."

In the past, however, Canada has been anything but vigilant in protecting its over-fishing stocks. Long before Tobin's Conservative predecessor, John Crosbie, announced a two-year moratorium on northern cod fishing in 1992, Atlantic fisheries were overfishing stocks like never before. And just last week, a report issued by another former fisheries minister, John Fraser, accused the department of Fisheries and Oceans of being negligent, inept and failing to live up to its constitutional responsibilities to protect the \$450-million-a-year West Coast salmon industry—a failure for which Tobin himself probably took full responsibility.

In fact, confidence as Tobin assumed last week while doing battle with the Europeans, Canada is clearly breaking new legal ground by trying to take control of fishing grounds beyond its 200-mile limit. Technically, under

international law, questions of conservation involving fish stocks beyond the 200-mile mark are the jurisdiction of the home country of the fish stocks involved; in this case Spain, Portugal and the other EU nations.

That may change, though, if the dispute went to court, which would be precipitated by a complaint in the United Nations law division with 50 stocks like the lively mackerel, which span the boundaries of more than one fishing zone. In such cases, disputes are supposed to be worked out through negotiations between the countries involved or under the direction of regional organizations such as NAFO. The trouble is that the commission's

provisions say nothing about what happens when both countries fail as they clearly have in the East Coast herring dispute. "This case," says David Vanden-Bussche, director of the marine and environmental law program at York University, "is the first time I think there's going to be a crack in international law."

At week's end, the situation was volatile. The unpopularity of the Spanish fishing fleet within the EU may mean that there are strict limits to how far other European countries are willing to go in a dispute with Canada. At the same time, if the issue stands off contentious for long—or if the EU acts on some of its threats—public support could wane within Canada. John Cornish, the Reform party's federal fisheries critic, thinks Canada's best bet would be to "eat some crow" and ask for some sort of independent arbiter to settle the dispute. But last week, at least, Tobin showed little inclination to heed such advice.

JOHN D'AMORE is Tobin's
and **WOLFGANG CARSTENS** is
Ottawa and **BRUCE WALLACE**
in Berlin

in Cecilia and to pass on the costs of co-existing and other services to those who benefited from them. The kettle, weighed from 1965 to 1986, showed that he had not just a quick temper, but also persistence and an ability to master the details of policy and legislation.

Those who know him well say there is a subtlety about Tobin that sometimes appears when he talks about the importance of his family and the life while, Jocelyn, who carries three children, and his wife, say, that he has learned to play nice. "One of the great gifts you can give yourself is the ability to make mistakes," he told *Maclean's*. "I enjoy making mistakes. It's that—just have some quiet time and make some mistakes."

With his quick sense of humor, an even-tempered cool, and media savvy learned in the trade, Tobin was an Opposition natural. But what has come to define him in Ottawa has been the easy way he has adapted to government. Still, the ease of the shift did not surprise him. He had become frustrated, he says, with the one-dimensional politics of politicians and wanted a chance to solve problems. He has grown in the office, colleagues say—and along with now-Deputy Prime Minister Sheila Copps, Tobin and others drove Prime Minister Brian Mulroney and his Tories to destruction. Tobin got out of the Commons for a day in 1985 for calling Mulroney a liar. Tobin also died plans by then-transports minister Don Mazankowski to overturn regulations governing shipping

Tobin's quick temper and no lack of self-confidence

pressured him with his retelling of the affair last week, he was not given the benefit that a more senior minister might have been given. And yet Tobin was a good enough politician to realize his limitations and not strain at the leash.

Tobin, who turned 49 last October, was first elected in 1986 at age 25, and was quickly spotted by Pierre Trudeau's talent scouts as a valuable rookie. He was given a coveted spot on the joint Senate-Commons constitution committee and was appointed parliamentary secretary to two fisheries ministers, Avi and a friend, Mr. Tax. Tobin had no lack of self-confidence. When Trudeau was looking for a Newfoundland cabinet minister in the early 1980s, Tobin was quickly agreed that anyone might think him too inexperienced.

But it was time to Oppose that brought Tobin, a former television news anchor and reporter at CTV in St. John's, into the riding of Humber-St. Barbelette-Ville, on Newfoundland's west coast. It's called the gift of the gods, a site well-scouted by the island's long oral tradition. He is, say senior Liberals, one of the best communications in Jean Chrétien's cabinet.

Tobin's abilities have propelled him close

Brian Tobin makes his mark

to the top of the inner circle of Liberal politics. For white insiders say he has impressed

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Pedophile alert

Should potentially dangerous ex-cons be exposed?

The 2,000 residents of Elkford, a coal mining town in southern British Columbia, thought themselves immune to many of the sexual ills that have marred larger centres. It was the kind of community where people left their doors unlocked and let their children run unsupervised in local playgrounds and walk to school alone. But all that changed at late February when residents learned that Roger Bourgeois, 39, a convicted child molester who had recently been released from prison in Alberta, had returned to Elkford, where he had committed his first known sexual offence 11 years ago. Suddenly, parents fearing stringy amorphous could be seen patrolling the schoolyards, and small children were being paired with high-school students for the walk home. About half a dozen women set up daily pickets outside the houses where Bourgeois now lives with his parents. Among the picketers was Sue Selak, a mother of two young children, who livesatty-corner to the Bourgeois law-hate home. "My kids are growing up in the shadow of a pedophile," says Selak. "We're actually victims, all of us."

Ultimately, Selak and many of her neighbours say they would like to drive Bourgeois out of town—even though they recognize that they would just be shifting their problems to another community. In fact, that is exactly how the sex offender ended up in their midst. Bourgeois was released from the Bowden Institution in central Alberta on Jan. 31 after serving a full five-year sentence for raiding seven children in the Timmins area—some as young as two years old. He initially settled in Vancouver. But once his identity and place of residence were publicized by the media and police, Bourgeois found himself forced to leave for personal safety, some of whom suggested that he should end his own life or that the world should do it for him. In the end, Bourgeois—who is homebound due to complications from a childhood operation that has only a Grade 2 education—found a new life as a free-roaming sex offender in Elkford, Selak says. She has since gone to Elkford to follow Bourgeois's example, but she feels the town has little choice. "I know there are a lot of offenders in the world, but they are not living in my neighbourhood," she says. "This one is."

The Bourgeois case sharply illustrates the dilemma faced by legal authorities, community groups and ex-convicts alike when potentially dangerous offenders have served their time. Is it possible to strike a balance between public safety and the former prison-



Bourgeois' pockets in Elkford, B.C., exposing communities can lead to threats of retribution

er's need to get on with his life? And if offenders are to be identified, what can be done about the legislation that so often causes? The question we all the more urgent in the case of pedophiles, for whom there is no known cure and whom researchers say are far more likely to re-offend than other types of criminals. And federal and provincial authorities across Canada are setting aside for answers.

One of the leaders is the Conservative government of Manitoba, which last month became the first province to institute a formal process for identifying sex offenders. Under the plan, an advisory committee of prison officials, police officers and justice department representatives will review the

cases of sex offenders who are due to be released. When offenders are deemed likely to re-offend, the advisory panel will suggest a course of action, ranging from informing the offender's previous victim to a full-blown public shaming. The final decision is up to local police chief, and the province has agreed to defend the choice against any lawsuits that may result from citizens claiming that their privacy rights have been violated or that they have suffered damages because of some adverse response by the community. According to Manitoba Justice Minister Rosemary Vadrey, the initiative is needed because, says Manitoba, has lost faith in the justice system. "People need to feel safe," she says. "People need to feel like victims all the time."

Several other provinces are weighing similar options. Within the next few weeks, Ontario Solicitor General David Christopherson hopes to travel to各地 for the province's 110 police forces to use when they are faced with whether or not to identify potentially dangerous sex offenders. Asked why sex of-



offenders should be singled out for such treatment, Christopherson told Maclean's that "the straightening answer in first were doing with our kids. As Canadians, I think I think we can do a lot more protective than we do about our children."

For Jay MacLachlan, executive director of the Ottawa-based John Howard Society of Canada, policies appear to be failing to protect public interests about crime. MacLachlan,

whose group lobbies support to former inmates, fears that identifying sex offenders will put such pressure on them that they will fail to seek treatment and to re-enter society. "I see nothing helpful in this at all," he says.

Certainly Bourgeois's experience shows the intense scrutiny that follows when the public becomes aware of a pedophile in their midst. In Elkford, the offender's whereabouts were first disclosed by the *Elkford Star*, which printed his name and address and ran a series of stories on his crimes and movements in the rag. Elkford police, who originally had no intention of publicly identifying Bourgeois, responded to the reports by directly slaming his neighbour. There was obvious reason for concern. According to National Police Board reviews conducted in October, 1993, and again in September, 1994—just as Bourgeois had released—Bourgeois still harboured strong feelings toward small children and was considered a very high risk to re-offend. But the situation quickly got out of hand, with Bourgeois facing death threats from outraged citizens and, on at least one occasion, attempting to kill his own life.

Bourgeois feels similar hostility in Elkford. At a town hall meeting called by the RCMP and attended by about 300 people, one resident stood up to declare that Bourgeois should be sent out of town. The statement drew applause and sheets of approval—as well as a stern warning from Cpl. Rob Weiss that he would not tolerate any vigilante justice.

As in Elkford, Bourgeois's movements in Elkford are restricted by a court order prohibiting him from coming into physical contact with anyone under 18. In a long as 10 years or 12 days, depending on the circumstances, this "basically a prisoner in his own home." By his own admission, Bourgeois and his family were declining to give interviews, he says. Shirley, told Maclean's that they hoped the upsurge would die down if they kept quiet. Earlier Bourgeois had told reporters that he deeply regretted his past crimes and that he wanted the chance to prove that he could lead a moral life.

For the townsfolk gets no sympathy from Ramona Tocino, who spearheaded the picketing of his home and whose own daughter, now 17, was one of his last victims. "When people say he gave her a second chance, well, he's already had a hundred of second chances," says Tocino. "A dog for God's sake gets two chances and is put down." To many residents of Elkford, that is no better than Bourgeois deserves.

BRUCE THORGMAN

Ms. law and order

Manitoba's justice minister talks tough on crime

During Rosemary Vadrey's teenage years her father was steadily rising through the ranks of the Metro Toronto police force, including stints as chief of the homicide squad, chief of the homicide division and head of criminal investigations. "I saw what his work was," recalls the 45-year-old Vadrey. "I saw his newspaper, saw him sit at his table of the night and day. I grew up in a family that saw these issues issues as very important." And since being appointed Manitoba's minister of

the number of crimes—including everything from car thefts to murder—exceeded by young people. And as it is this area that Vadrey, the mother of three teenage children, has directed most of her efforts. She has convened a summit on youth violence and established a "switch line" that allows teenagers to phone in confidential information on youth gangs. She has introduced a strict new regimen for young offenders serving time in provincial institutions, including early wake-up calls, daily chores, mandatory service and year-round schooling. "There aren't any holidays when police are working [here]," in a juvenile court date of birth). And she continues to press federal Justice Minister Allan Rock for even tougher punishments to the Young Offenders Act, including some mechanism for dealing with children under 12 who commit serious crimes.

Vadrey has advocated a grit-mug approach on other fronts as well. At a recent meeting of federal and provincial justice ministers in Victoria, she urged Rock to adopt a "reverse zone" provision during bail hearings that would require those accused of stalking to justify why they should be released pending trial. Rock rejected the idea. She has also vowed to crack down on parents who refuse to pay child support by, among other things, suspending their driver's licences and seizing their joint holdings and personal bank accounts.

None of Vadrey's efforts particularly impresses her political opposition. "The public wants to feel protected," says Gord MacLean, a 46-year-old critic from Guelph. "People want to feel secure. The conditions that breed crime including child poverty and high unemployment." Vadrey's overall response is to add, has been "spectacularly ineffective" visits that are limited more for election purposes than dealing with the complexities of crime in this province."

The policeman's daughter works unashamed by suggestions that she is simply pandering to public fear about crime. "I believe we have to listen to the public," she says, noting that her critics "base their sites [on] the size of offenders rather than of victims." It is the type of political rhetoric that has earned Vadrey favourable headlines and laudatory from law enforcement officials. And, for now at least, the shares no signs of changing course.



Vadrey: "The public wants to feel protected"

justice in September, 1993, Vadrey has put those critical observations to work, earning herself a reputation as one of Canada's most outspoken law and order advocates. Her announcement last month of a proposed policy on identifying sex offenders who have served prison terms and are returning to the community—the first of its kind in Canada—is just one in a series of sought-after initiatives she has championed. "The public wants to feel protected," Vadrey told MacLean, "and all of our actions are aimed at enhancing public safety."

Crime definitely is a top-priority issue for Manitobans—in part, because there seems to be so much of it. While the rate of violent crime is actually on the decline nationally, in Manitoba it increased by 10 per cent in 1992, the last year for which statistics are available. Of particular concern is the dramatic rise in

The fall of an Ottawa empire

BY STEVIE CAMERON

Perhaps fatefully Ottawa builder Jose Perez should have thought twice before he moved into Robert Cameron's former office and settled himself behind Cameron's old desk. But Perez may have been dimly aware of Cameron's glory as the most successful developer in Ottawa during the 1970s. Despite Cameron's crash into a \$50-million bankruptcy at 1986, Perez could not have foreseen his own spectacular business collapse last fall, a \$300-million failure that is not only one of the biggest bankruptcies in Ottawa's history but one that has focused attention on a number of federal officials—including Liberal Senator Peter DeBart and Georges Cormier, the chairman and president of Canada Post Corp.

Busted in the towering stacks of documents generated by a fire-prone lawyer and recent bankruptcy hearings, we copies of cancelled cheques and company records showing more than \$500,000 paid by Perez to De Bart's Ottawa consulting firm from 1988 to April, 1994. They also show at least \$54,000 paid to a Cameron family company between 1989 and 1992, the period during which Perez was negotiating with Canada Post to build its new Ottawa headquarters. Other records also show that Perez's company gave \$50,000 to downtown in Prince Minister Jean Chretien's 1993 campaign for the Liberal leadership, and between Nov. 14, 1991, and May 29, 1992, a set of three cheques totalling \$1.3 million to Michael D. LePage, a mysterious company based in London with offices in a Caribbean tax haven. They are tantalizing glimpses into a complex and secretive business empire that is being slowly exposed in an Ottawa courtroom.

The bankruptcy court case has heard many hours of testimony about various payments by Perez. DeBart's consulting company, for example, collected \$5,000 a month from Perez for seven years and cancelled cheques show that he paid just \$80,000 of June '90, '91—just days after Canada Post executives approved the headquarters construction—a further \$25,000 on Aug. 11, 1991. He had access to Perez was due April 30, 1994

During questioning in the bankruptcy hearings, DeBart, a consultant assigned to Pierre Trudeau's government in 1976 and early 1980s, fervently denied that the payments had any connection to the Canada Post contract. He also testified that he had no "real understanding" with the developer to introduce him to potential partners and identify business opportunities. "I acted as legal adviser, as a business adviser and also to give him my opinion about what I could call broad questions because he was very keen on understanding the broader issues," DeBart told Charles Gastic, the Toronto lawyer acting for the bankruptcy receiver, accountants Deloitte & Touche.

Last week, DeBart's Ottawa lawyer, Adrián Howell, issued a statement to Maclean's on the senator's behalf, saying that he provided "legal counsel and business advice" to Perez for eight years. But he added: "I can state specifically that I was not involved in negotiations affecting Canada Post. At no time did I ever represent Mr. Perez or his companies in transaction that he has entered into with any level of government in Canada." DeBart said he received \$60,000 a year from Perez in returns, plus a total of \$81,000 in cancellation, Senate and expenses.

Cormier, a lawyer and vice-president of Canada Post until he succeeded former president Donald St. John as president in January, 1993, and died last June, has not appeared before the hearing. But like DeBart, he denies any impropriety in the payments made by Perez to a company that was established in the name of his son, Jean Cormier. The company was called St. John's Financial and was based in the Cormier home, 1077 Carling Drive in Ottawa, a suburb of Ottawa from July, 1988, until February, 1992 when the Ontario government's consumer affairs department made no registration in having been effected by the company. During that time, Jean Cormier was living at home with his parents. Perez company records also



The bankruptcy of builder Jose Perez has focused attention on some officials



DeBart: business adviser Perez: shareholder

payment of \$60,000 made to St. John's Financial on Nov. 5, 1990. Just over a year later, on Nov. 23, 1991, 26 days after the Canada Post headquarters contract was signed, Perez signed a cheque to St. John's Financial for \$89,000. Then, on Nov. 25, 1992, Jean Cormier sent an invoice to Perez for \$25,000, the bill stating it was to sponsor a Formula 1600 car race. It was believed at the time that Perez was involved in Formula 1 racing expenses in 1990. Cormier's invoice was dated Nov. 25, 1992.

Georges Cormier last week issued a statement to Canada Post employees denying that he had benefited from any payments made

by Perez and saying that Perez paid the money to sponsor his son's career as a racing car driver. "I want to assure you that there is no connection between my son's career and my decisions at Canada Post," Cormier said. "I have always held to the belief that honest people can succeed in their private and public lives and I have governed my own professional career in line with this belief." Cormier ended in his statement that Perez's name appeared at large letters on his son's car as a sponsor as well as in programs and promotional material "for the world to see."

Internal records of Perez's development

Canada Post headquarters in Ottawa: a \$30-million lease

registered as Tropic in the British Virgin Islands. Lawyers involved in the bankruptcy proceedings have been unable to trace Maspari's own whereabouts further. But since 1993, the company has owned a luxury condominium on Avenue Street in Montreal valued by city tax assessors at \$300,000. Montreal businessman Jean-Louis Denis, the condominium's owner, says he has done business with Maspari for several years, but he remained loose touch with who the owners are. Reached at his Ottawa office last week, Perez said he was too busy to discuss his business affiliation at that time.

One priority in his attempt to rebrand his former empire, the now-grown Perez, was recruited by Cormier as a campaign worker at Ottawa during the 1979. Perez has long been a high-profile member of Ottawa's business community. Propelled by a sense of ambition, charm and showmanship, Perez started the mid-sized home-building company he set up in the early 1980s with a multimillion-dollar development company with at least 41 subsidiary or affiliated companies. He wanted to win big federal construction contracts and courting powerful politicians was part of his strategy.

But Perez always played both sides of the fence. During the Mulroney years, Perez made many friends across the Tories in Ottawa, including Brian and Mila Mulroney. But he was closest to Senator Speaker Guy Charbonneau, one of the most powerful men in the party, who acknowledged in a 1994 interview that he had made calls to help Perez be considered for the two biggest federal contracts the Conservative government had to offer at the capital. One was the new \$120-million Canada Post headquarters in Ottawa, and the other was a \$50-million contract from the National Capital Commission—an agency based in the city's historic Château Laurier Building. Perez was both contracts.

Perez's projects were highly leveraged and depended on delivered on credit and strong cash flows. He needed hefty financial backing to carry off his grand ambitions, and over the years he took in investors and partners in some projects. One was Toronto developer Brambles Ltd., which put \$120 million into a new building company called Perez-Brambles. Soon after, Brambles—now a bankruptcy protection for the second time in four years—joined in Perez's 1993, the enterprise became worried about its investment, especially after it discovered that Perez was using Brambles' money to finance his other businesses. To calm the fears of his worried

CANADA

partner, Prima fiscal David Saksenrode, a former executive of Hera International Bancorp Inc., in November, 1990, to help restructure Peninsular. "Hera asked me to come and help," recalls Saksenrode, now a postgraduate theology student in Dallas. "He said we could be the most powerful men in Canada, and he dangled millions of dollars in front of me." Saksenrode arrived as vice-president and chief operating officer of Peninsular, and was soon appalled by the state of the company's finances. Today, Saksenrode says, he advised Perez to declare bankruptcy at that time, but he refused.

One day in January 1991, before post office officials had chosen the contractor for the new headquarters, says one former Perez employee, one of Perez's senior officials arrived at a meeting in the company's offices with secret Canada Post documents outlining a competing bid from Arcon Development Corp. Ltd., an Ottawa company acting in partnership with Toronto developers Olympia & York, as well as papers detailing the post office's assessment of defalcations in the Perez bid. Perez was able to approve his bid and win the contract, which gave him a 20-year federal government lease worth, according to a Canada Post spokeswoman in 1989, \$13 million a

year. "We're only going five years leases now," said one Ottawa-based government official in Ottawa who is looking carefully at the whole Perez affair. "That lease is extraordinary." Canada Post spokesman John Cullen said the term as stated is not accurate, although he acknowledged that the post office spokesman released it two years ago. At the same time, though, he said he could not say what were the actual contract terms.

By last summer, it had become clear that the Perez companies were so deeply in debt that bankruptcy was inevitable. Court documents reveal that while his main competitor, J.P. Carr, had debts of \$95 million and was offering his creditors \$500,000 to settle, Perez was offering another \$200,000 to settle personal debts of \$84.5 million. As for Arcon, its \$175-million investment had also born fruit in property, a major factor in the publicly traded company's woes. In December, with 20 creditors fighting for what remained of its empire, Perez fled for bankruptcy. That move was triggered, Perez later said in court, by a lawsuit launched in October, 1990, by his Spanish investment partners, led by businessman Alfonso Molina, who sought \$10 million they claimed he owed them.

Now focusing his attention on Perez's

efforts to reorganize his companies, bankruptcy court lawyer Gérald Clouston said the developer has tried to protect his assets from the bankruptcy trustee by transferring the ownership to others. In 1992, for example, Perez transferred the ownership of several of his companies to the Goyanes Family Trust set up in Spain in 1986 in his mother's name. Because so many of his companies are now held under the trust, Perez is carrying on business claiming that he does not own or control them. In 1990, Perez transferred his personal assets to his common-law wife, Diane Scott, who had been his secretary for several years. The personal assets include his home in Nepean, Ont., and a 1988 Ferrari Testarossa worth \$88,000. Perez has denied under oath that he was trying to shield any of his property from bankruptcy trustees.

While lawyers and accountants wade through the tangled web of Perez's business history, the lessor developer has continued to lobby Public Works Minister Donald Dewar with ideas for future contracts. Dewar has made no commitments to Perez, and last week his aides called the bankruptcy court for a full set of documents on the case. "These matters happened during the press was governed," said Dewar. "However, we are watching the file very closely." So far, Perez has not received any new government contracts, and while he waits, the Spanish investors are quietly pursuing their quarry through the courts. □

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Canada NOTES

B.C. ALLEGATIONS

British Columbia Premier Michael Harcourt came under fire on two fronts. First, his government's science minister, Robin Thompson, resigned his portfolio—but not his cabinet seat—spending an independent investigation into allegations that he sexually harassed a former female staff member. Then, the B.C. conflict-of-interest ombudsman announced that he will investigate more than \$8-million in proposed government contracts given to an ad firm headed by Ron Johnson, a key architect of Harcourt's 1991 election victory. Liberal Leader Gordon Campbell demanded that Harcourt resign, but the premier refused.

DANGEROUS OFFENDERS

Solicitor General Parks Gray introduced measures aimed at improving the flow of information contained in the national police computer system about the criminal history of dangerous offenders. Gray said that by sharing such information Crown attorneys across the country will be able to argue more convincingly of the time of conviction that highly dangerous repeat offenders should get longer sentences.

BANNING THE CAMERAS

Ontario Court Justice Patrick LePage refused to hear an application by the CBC to televise Paul Bernardo's first-degree manslaughter trial, saying that the request would have delayed the already long-drawn-out case even further. Lawyers for Bernardo, who is charged with the sex slayings of two Ontario schoolgirls, said that they may make their case application for cameras in this courtroom.

BAD BLOOD

A prominent American AIDS epidemiologist, Dr. Don Francis, told a medical inquiry that up to 80 per cent of the Canadians infected with the AIDS virus through tainted blood products in the early 1980s could have been spared if the Red Cross had only questioned donors about their sex lives and drug habits sooner. Francis, a researcher with the San Francisco-based biotech firm Genentech, was the first doctor to alert U.S. officials in 1982 that AIDS could infect the blood supply.

A COSTLY STRIKE

About 1,200 workers at a lucrative casino in Windsor, Ont., went on strike to back their demand for a bigger cut of the cardroom's profits. Casino Windsor, which opened last May, attracts about 14,000 customers daily—most of them Americans—who gamble an average of \$14 million a day, most of which goes to the Ontario government.



DEATH FOR A KILLER WHALE: Animal rights activists demanded that the Vancouver Aquarium return its whale to the wild after the calf of Jumbo, the killer whale died within 10 minutes of birth. It was the third time that Jumbo had failed to successfully breed in captivity.

Separatist damage control

Quebec Premier Jacques Parizeau, returning from a 10-day Mexican vacation, attempted to quell recent demands from some separatists that the referendum on Quebec sovereignty—which the Parti Québécois leader has repeatedly promised will take place this year—be delayed. The Yes forces can be assured of victory. Despite a recent (and the vote will take place again) and the vote will take place again in 1993. Parizeau, who said that he had no intention of yielding to the referendums any reference to a continuing political association between an independent Quebec and the rest of Canada. He did not, however, rule out including a reference to an economic association, as had been suggested by the Quebecois Leader Lucien Bouchard during the premier's vacation.

Separatist leaders have been some cautious in recent months. "There is no doubt that he has been seen as a agent of disorder," he said. He also acknowledged that the 15 regional sovereignty committees the government created to boost support for independence did not achieve that goal. The government is now

hoping that debate in the National Assembly on a revised version of its draft bill on Quebec sovereignty will rally separatists. That debate could begin by late April or early May, with a referendum vote coming as early as June.

Westray bombshell

Crown attorney Mark Chisholm entered a courtroom in Pictou, NS, when he demanded that the presiding judge in the Westray mine fatal step-down and declare a mistrial. Chisholm said that a recent telephone call made by Justice Robert Anderson to the head of Nova Scotia's public prosecution service and created a "reasonable apprehension of bias." According to Chisholm, the judge had questioned the competence of the 140 prosecution, Herman Webster, and said that he should be removed from any role in the trial of two former Westray mine managers charged with manslaughter and manslaughter-related to a May 9, 2002 explosion in the mine that killed 29 men. Anderson was to hear the Crown's arguments for the judicial review early this week.



WORLD

BLOOD TIES

Two months ago, Mario Ruiz Massieu was hailed as a Mexican hero. The bold three-deep attorney general shocked and delighted his countrymen when he publicly accused his boss and two ruling party leaders of obstructing his investigation into the September, 1994, assassination of his brother, José Francisco Ruiz Massieu, the second-in-command of the Institutional Revolutionary Party (PRI). His stunning accusations, followed by his abrupt resignation, were so convincing that many Mexicans believed Ruiz Massieu had uncovered the most spectacular scandal in the country's modern history. What they did not know at the time was that Ruiz Massieu would soon become a key suspect in a series of major drug trafficking, murder and cover-ups.

Ruiz Massieu's surprising reversal of fortunes began last month when Mexican authorities arrested prominent businessman Raul Salinas, the older brother of former President Carlos Salinas de Gortari, and

A widening murder scandal claims a one-time Mexican political hero

charged him with plotting and financing the murder of the politician. But within days, investigators began suggesting that Ruiz Massieu had covered up Raul Salinas's involvement in the assassination. After a six-hour interrogation, Ruiz Massieu fled to Houston and was later arrested at Newark airport in New Jersey where he was about to board a plane to Madrid. U.S. customs

agents charged him with failing to declare \$600,000 he was carrying in cash. As Ruiz Massieu was being held without bail in New Jersey, court documents revealed last week that some \$9.8 million was deposited into two of his accounts at a Houston bank last year. And the administration of President Ernesto Zedillo Ponce de Leon said that it was looking for other bank accounts the former law enforcement agent may have in the United States. The government also from Ruiz Massieu's Mexican bank accounts and began extradition proceedings to return him to Mexico where he faces charges of federal drug trafficking and aiding evidence to protect Raul Salinas, his former brother-in-law. Ruiz Massieu's American lawyer said his client would apply for political asylum if the grounds he was being prosecuted in Mexico.

The revelations fuelled speculation that the \$9.8 million came from the powerful Gulf of Mexico drug cartel, operating out of the northeastern coastal state of Tamaulipas

Juarez, the *Washington Post* last week quoted an unnamed high-level government official as saying authorities had evidence indicating that Ruiz Massieu and other prominent Mexican accepted billions worth tens of millions of dollars from international drug trafficking cartels operating in Mexico during the Salinas administration. While deputy attorney general from May to November of 1994, Ruiz Massieu was Mexico's first case. The report, though unconfirmed, appeared to be the most damning indication yet that drug traffickers had infiltrated the country's political system, a charge widely reported in the media but never proven. "That surprised," said Mexico City political analyst Alonso Lujambio. "We all thought there were links between politicians and drug traffickers."

Investigations are now trying to determine whether Ruiz Massieu's alleged drug ties could have played a part in his brother's

Zedillo inspecting troops (left);
Ruiz Massieu's arrest in custody in
New Jersey; a reversal of fortunes



assassination. Ruiz Salinas had also long been linked by traffickers and journalists to drug cartels, and many of the 34 subjects arrested in the murder case are from Tamaulipas, including legislator 773 legislator Manuel Manzo Rocha who has been charged with plotting the shooting with Salinas.

The Gulf of Mexico cartel is the most powerful of the region's two major drug trafficking organizations and is considered the main Mexican conduit of South American cocaine, heroin and marijuana destined for the United States. Last week, the Federal Bureau of Investigation put the cartel's alleged boss, Joaquin Guzman Loera, or Tio Mito, Warren Baggett, his son, Garcia Alvaro, who was born in Texas, have trafficking and money-laundering charges laid by a Houston court in 1993.

Lawyers, who have been following the developments with keen interest, are waiting for other prominent officials to be caught in the widening dragnet. A key aide of Ruiz

Massieu is already under investigation for allegedly reporting the supposed bribe money to the former deputy's Houston account. An official in the federal controller's office is being sought for questioning about a business dispute with the slain Justice. The same official is also wanted in connection with an alleged disappearance of \$175 million from a government agency run by Ruiz Salinas.

The apparent connection between drug cartels and government officials might give authorities leeway in the recently reopened investigations of two other high-profile assassinations during the Salinas administration. While several alleged conspirators have been detained in the matter of the presidential candidate Luis Donaldo Colosio, who was gunned down during a Thatcher campaign rally in March, 1994, the motive for the killing remains a mystery. And authorities recently concluded that the May, 1993, death of Renato Cárdenas Juan José Pascual Ocampo, who was shot repeatedly at point-blank range at the Guadalajara airport, was a result of being caught in a crisis that during a shootout

from the widening perception that Salinas was not the historic political reformer he made himself to be. Opinion polls show that most Mexicans blame Salinas for the country's devastating economic crisis, and that they are happy to see the scandal bring him back to earth. "People want him brought to justice, for whatever reason," said Jeff Weidman, a political analyst at Mexico's Autonomous Technological Institute.

The scandal has also given citizens something to cheer about during Zedillo's rather lackluster 100 days in office, which have been marked by a constant flow of bad news. Last week, Finance minister Guillermo Ortiz announced the government's long-awaited 1995 economic plan, which features harsh measures to combat the economic crisis that has seen the peso plunge to record lows and the stock market drop by 37 per cent since the beginning of the year.

The strategy plan is designed to please the International Monetary Fund and the United States, which spearheaded a \$50-billion international economic rescue package for Mexico last month. The new economic plan calls for a tight monetary policy and a federal budget surplus, forcing the government to cut public projects spending by 10 per cent, raise gasoline prices by 30 per cent and increase the country's sales tax to 15 per cent from 10 per cent. The painful measures were originally offered by 10-per-cent wage hikes, a federal job cutback of 10 per cent and a debt restructuring program for small businesses. But the bottom line was black: Mexico's GDP will shrink by two per cent, and inflation will hit 43 per cent this year, predicted Ortiz.

The introduction of immediately boosted Mexican offerings on the New York Stock Exchange and sparked a press rally of what is said. "It's a very orthodox free-market plan," said an analyst at a Mexican City brokerage house, who did not want his name used. "The government didn't research in the temptation to use popular measures to overcome the crisis. It was the best they could do under the circumstances."

Mexico's oil has been frittered in part by the skirmishing stand-off between the army and leftist Zapatista rebels in the southern state of Chiapas. Scrapping for a way out, legislators approved a bill last week that could result in a general amnesty for the rebels if they agree to negotiate with the government. The Zapatistas, however, said they will not meet with authorities and the army will withdraw from towns it took during a largely bloodless offensive in February.

Despite the country's dire economic and political outlook, Mexicans appear enthralled by the absolutely revelations that are surfacing in the Ruiz Massieu case. People say it is the only area in which they think Zedillo is doing a good job as president. And is a country that has long lost faith in its notoriously corrupt and inefficient police system, that is not a bad start.

SCOTT MORRISON in Mexico City



WORLD

A white male backlash

Critics attack affirmative action as reverse discrimination

Cathy Wintzendorf is a white 30-year-old student taking a "really cool" environmental course and training to be a U.S. Air Force officer in the south west Virginia college town of Blacksburg. Robert Clay, 49, is a black construction company owner who has been getting "much easier business" in recent years in the restive Maryland city of Baltimore. The Blacksburg student and the Baltimore builder have one thing in common, both owe their progress in part to U.S. affirmative action incentives and regulations that require federally funded educators and employers to give women and racial minorities a fair chance at career success. But a long-sounding white male backlash and alleged abuses of such programs are now raising an explosive political debate with racial overtones. Republican legislators are leading a charge to undo or水陆两用军舰的反向歧视。The 1964 Civil Rights Act, which helped millions of African Americans find work and better opportunities, is being challenged as reverse discrimination.

REPORT FROM WASHINGTON

BY CARL MOWLLS

The next day, California Gov. Pete Wilson was certainly straightforward, dredging up a plan to undo the corrective subsidies of reverse discrimination. Wilson himself a possible presidential candidate, endorsed perfunctorily for a 1996 referendum to repeal the state's affirmative action laws. Other such California initiatives—actually proposed by Proposition 13 in 1978 and the native-right Proposition 557 last fall—entered powerful echo effects in national politics. In California, whose 32 million residents include more than one million Hispanics, almost four million from the Asia-Pacific region and 2.5 million blacks, Wilson said that

Against the benefits bestowed by affirmative action is a strong chorus of arguments—

and lawsuits—that endet the programs for producing reverse discrimination and costs to the economy. Critics decry the wide reach of what the Congressional Research Service describes as "a host of federal programs to increase minority and female participation as contractors or subcontractors on federally funded projects." Last week, the Senate took up a vote against bills based on the side of broad-based campaigns to minority investors, a law that the House

state Majority Leader Robert Dole of Kansas, Texas Senator Phil Gramm and former Texas governor Lamar Alexander—all stand for an end to such policies. Only days after the Republicans' caucuses declared their positions during early campaigning in New Hampshire last month, Democratic Clinton joined in the debate over affirmative action. "We shouldn't be defending things that we can't defend," he said at a Feb. 28 news conference during the presidential visit to Ohio. "It's time to review it, discuss it and straighten it out."

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Female soldiers: fees give minorities and women a boost for career success

"we will not under-fight group preferences. We will not lower standards."

And in Texas last week, Republican State Senator David Sibley introduced a similar measure. He argued that while Texans are "more in third parties who have not discriminated against anybody" but are denied opportunities because of their color. In contrast, Maryland's Democrat Gov. Parris Glendening proposed to increase the share of state contracts awarded to minorities and women.

In Washington it was Dale who took the lead towards what he maintains will be "a color-blind society" where free of race-based policies. Three days before Christmas, 13 days before he became Senate leader, Dale said congressional leaders resolved for a list of every federal statute that "grants a preference to individuals on the basis of race, ethnicity, origin or other ethnic background." Two months later, it was a list of 159 such laws. They flow from three civil rights acts of the 1960s addressing racial discrimination in accommodation, voting and employment.

It's from the women's equal rights movement in the 1970s. That body of law's purpose is to redress injuries of wrong by not only moving to discrimination against the segregated, but according to those pose no apparent.

Even before his repudiation was at his hands, Dale began to make clear his purpose—and political advantages. In a national TV interview on Feb. 5, he raised a question and answered it: "Why did 62 percent of white voters nationwide [in 1994] believe that it's because of things like this where sometimes the best qualified person does not get the job because he/she may be one color?" At the same Conservative Political Action Conference the day later, he made himself perfectly clear: "The government often says that the most important thing about you is the color of your skin or the country of your fathers," he said. "THAT'S wrong, and we should fix it."

Dale, 51, first elected to the Senate in 1986, is the year of the civil rights bill that ended racial discrimination in housing sales and rentals, thus earned himself a leading role in a 1989 confrontation in the Congress with Asa Hutchinson, a congressional group captain by House Speaker Newt Gingrich. Dale's initiative inspired a willing House to interrupt its work on Contract with America and postpone its vote. He also set a campaign agenda for his presidential goals,

including a plan for his presidential goals, including Clinton

Pitching that issue into the political arena excited Republicans guru William Kristol. In a memo to the party, he insisted that the new Congress had done nothing to change people's lives—until affirmative action burst onto the scene. Thus, he crowed: "The sudden willingness, even courage, of American politicians to challenge what was-and-recently unchallengeable—racial preferences—is a clear sign of how completely November's Congressional election has altered our institutional landscape."

For as total assault, Congress picked an easy target. A male defining racial gains on the side of broad-based companies in recent measures promised big rewards to the principal players in media giant Viacom Inc.'s controversial plan to buy a cable-TV property in a contract led by a black lawmaker. The House voted 361 to 34 to prohibit most Democrats—in rural areas to Berthold's Tax

school advised: "Rejoice you earthly masters, it's affirmative action month! When I see you in class it bugs the hell out of me because you're taking the seat of someone qualified." That sparked a vocal complaint that passed only against the most die-hard critics. But Berkeley's Tax school advised: "Rejoice you earthly masters, it's affirmative action month! When I see you in class it bugs the hell out of me because you're taking the seat of someone qualified." That sparked a vocal complaint that passed only against the most die-hard critics.

To Carlyle Wintzendorf, born after the civil rights crusades of the 1960s and a child during the women's equality campaign, there may be little remarkable in her example's life among other women and other races. But she is well aware that Blacksburg's 125-year-old Virginia Polytechnic Institute and State University may enrolling no women, and that the air force officer training corps that provided her scholarship grew from all male in 1968 to 30 per cent female now. "The national corps commandant visited Virginia Tech and 'she was ready next,'" Wintzendorf, born because the top officer is Greg Gandy, because Gandy's "it's open," she said. "In fact, in my case, it's open."

But for Baltimore builder Robert Clay, the political drive to roll back affirmative action for racial minorities is a betrayal. Even now, he says, minorities do not receive a fair share of economic opportunity. He says the majority attitude seems to be "we did it, we did enough, we can do away with it, and we can have a color-blind society." Without affecting it in law, there will be no fairness as long as there is income gaps, Clay, and "Let me tell you, racism is alive and well in America." □

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EQUALITY OF THE SEXES?

- New smokers are evenly split between boys and girls.
- Tobacco death rates among women are catching up with those of men.
- Lung cancer now kills more women than breast cancer. And the number of female lung cancer deaths is rising.

VIRTUALLY ALL NEW SMOKERS ARE ADOLESCENTS.

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AMBUSH IN PAKISTAN

Gunned-attack U.S. consulate staffers as they were being driven to work in Karachi, killing two of them and wounding a third. U.S. counterterrorism experts are reportedly focusing on a theory that the attack was revenge for last month's arrest and extradition of Rasoul Ahmed Yousaf, the alleged mastermind of the 1983 World Trade Center bombing in New York City. But Karshai has been survived by a wave of sectarian violence that has killed some 300 people this year.

VOTING FOR DEMOCRACY

In Hong Kong's last municipal elections before its 1997 return to China, pro-democracy parties triumphed over their pro-Beijing rivals. But celebrations were tempered with awareness that China plans to abolish all elected tiers of government set up by Britain at the end of its 150 years of colonial rule.

MAFIA HITS

At least nine people have been killed in Mafia-style slayings in Italy since Feb. 25, a killing spree that prosecutors may be aiming at stopping mobsters from having state's evidence. Information from telecoms has led to numerous changes against leading figures, including former prime minister Giulio Andreotti for allegedly protecting mobsters in return for political support in Italy.

AN ANTI-SERB ALLIANCE

Croatia and the Federation of Bosnian Croats and Muslims agreed to form a joint military headquarters, ending the Balkans closer to all-out war. The new alliance separates Croatian troops and forces of the Bosnia federation to end each other against rebel Serbs who have seized substantial parts of both countries.

DEATH PENALTY REVIVED

Republican Gov. George Pataki signed a bill restoring capital punishment in New York, the fifth state to do so since the U.S. Supreme Court ruled the death penalty unconstitutional in 1976. That same year, Carter outlawed capital punishment.

TAKING THE STAND

At the O. J. Simpson murder trial in Los Angeles, police Det. Mark Fuhrman denied meeting or keeping a woman who claims he made racist remarks to her. The defense alleges that Fuhrman is a racist who tried to frame the black football hero by planting a bloody glove on his estate. Legal findings say allegations of racism against Fuhrman could weigh heavily with the predominantly black jury.

World NOTES



The Queen greeting a crowd of well-wishers in Belfast "courteous and compassionate"

A dramatic royal return

Reflecting a more relaxed attitude towards security since the Irish Republican Army began a ceasefire last September, Queen Elizabeth II and Prince Philip waded through cheering crowds on their first visit to Northern Ireland in two years. The British monarch officially opened a bridge over the River Lagan in Belfast and later visited Armagh, the ecclesiastical capital of Roman Catholics and Anglicans in the Irish Republic and Protestant Ulster. "For many difficult years, the people of Northern Ireland have shown courage and compassion of an extraordinary kind," the Queen said. "Today, as they begin to look towards a more peaceful future, Armagh, with its great cathedral standing so close together, presents a powerful symbol of the strength, spirit and hopes of people across Northern Ireland."

In another sign of warming relations towards the long-time terrorist organization, U.S. President Bill Clinton granted a visa to Gerry Adams, head of the IRA's political wing, Sinn Fein. He also met a son of Sinn Fein leader Martin McGuinness in the United States and invited Adams to a St. Patrick's Day party at the White House. For his part, Adams and his party was prepared to discuss disarmament with the British government as part of a much wider agenda that includes Sinn Fein demands for the release of hundreds of its prisoners.

A war on poverty

At the UN World Summit for Social Development in Copenhagen, delegates agreed on a plan to end poverty and social injustice, but warned that results would not come quickly or easily. They also agreed to call on governments and private leaders to consider handing out more foreign aid money. But the call did not meet specific or specific, and comes at a time when wealthy countries, including Canada, are cutting back on foreign aid to the world's 12 billion poor. The war-making summit endorsed the huge task facing governments as they try to deal with the root causes of wars and disease, especially in the poorer regions of Africa and Asia. The controversial issue of debt cancellation, however, got little support. Some 150 government leaders attended what was billed as the biggest summit in history. Amongst those were Pierre Messier Jean Chrétien, Bill Clinton and several other leaders of major Western powers.





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National sovereignty is on the line as trade and capital markets globalize

SHIFTING GROUND

BY DEIRDRE McMURDY

Newspaper headlines screamed of a Canadian currency crisis. Below the headlines were breathless reports of "the longest period of economic austerity since post-Second World War days." The Prime Minister had just announced emergency measures designed to slash \$600 million from the federal government deficit in one year, along with plans to borrow the unprecedented sum of \$1 billion from the International Monetary Fund to bolster Canada's dwindling exchange reserves. The year was 1983. The Prime Minister was John Diefenbaker. And the psychological impact on Canadians was profound.

After 35 years—and subsequent bouts of currency market volatility—the shackles of stability, destructive swings in financial markets has greatly diminished. But the complexity of those markets, Canada's vulnerability to the dictates of foreign creditors and the implications for national sovereignty have grown—along with the country's \$329-billion debt. The relentless pace of technological change and the proliferation of borderless business transactions have shifted the ground beneath Canada's socioeconomic structure. And Canadians are

struggling to understand just where they fit into an uncertain world where exchange rate volatility makes anything from budget projections to travel plans unpredictable, where credit analysis in New York City and insurance companies in Japan dictate social spending in Ottawa, and an aggressive 28-year-old trader in Singapore dominates the charge to bring down a 23-year-old investment bank in London (page 32).

In fact, the Liberal government has deliberately played on that growing anxiety about the erosion of Canada's domestic sovereignty in its bid to win broad political support for an amateur cost-cutting budget. In a speech in Vancouver last week, Finance Minister Paul Martin declared that his budget赤字, tabled on Feb. 27, was designed for Canada's autonomy. "My goal is to make sure that my kids don't have their sovereignty dictated to by somebody outside of this country," he said, referring to the clout of foreign creditors.

As the age of high-technology global markets and multinational trade has diminished traditional national borders, the cost of institutional bodies and the consequences of economic interdependence have become increasingly apparent. To successfully conclude complex trade agreements, such as the Uruguay Round of the 123-member General Agreement on Tariffs



Policy in areas that were once the exclusive economic preserve of national governments is now dictated by supranational agreements

and Trade, all participants have given up at least some control in areas such as agriculture, environment and labor, traditionally the exclusive preserve of national governments. And for relatively small economic powers like Canada, that process can be threatening. "The word sovereignty automatically withdraws an edge emotional note to any economic discussion," says David Ludd, an economics professor at the University of Western Ontario in London. "But the fact is, you have to compromise if you want to participate in a world economy, and you have to be an orderly place."

Over the past several weeks, however, global currency markets have been anything but orderly. Last week, the pressure of attacks from hedge-fund managers traders, who have more than \$1 trillion around the world each day, on the real estate market in Brazil forced their counterpart in major economies. At the same time, the currencies of Britain, France, Sweden and Italy hit record lows against the German mark. The markets also pushed the Mexican peso to historic depths, and dragged the U.S. dollar to post-war lows against the Japanese yen and the German mark. Inevitably, the Canadian loonie was pulled into the downward trend. It fell eight per cent against the German mark, and bottomed around 70 cents (US) during the last week before closing where it started—71 cents.

Although the U.S. dollar also stabilized late last week and currency markets calmed overall, the aftermath of those international battles still reverberated in Canada. As the Canadian dollar slid downward, the six chartered banks boosted their prime lending rate to a two-year high of 8.75 per cent, up from 8.25 per cent. "The lookouts march of technology and economic interdependence is being fully displayed," said Michael Hart, a federal trade policy adviser. "The reach of international currency markets may not be new, but they are bigger, faster—and more disruptive—that ever."

The force of global exchange markets was also as discerned by their ability to quickly strengthen the conventional tool of national governments—central bank intervention. As the U.S. dollar tumbled, the Federal Reserve—as well as the central banks of 17 other countries—rushed wads into the market to buy and to bolster the U.S. currency last week. According to analysts, the principal concern reflected in the market was the U.S. government's commitment of \$85 billion in loans and guarantees to Mexico, as well as the congressional deficit of the proposed balanced-budget amendment to the constitution on March 3. More generally, currency speculators were also shaping currencies with significant debt burdens—the United States had external liabilities of \$750 billion at the end of 1984. And they were also anticipating that Japanese investors will soon embark on their annual shift of foreign holdings, to bolster their own balance sheets just prior to Japan's fiscal year-end on March 31.

To contain such destabilizing market attacks and to help national governments to preserve at least some of their economic agenda in the midst of crises, there is growing support among trade analysts for the creation of a supranational regulator for foreign exchange and capital markets. American economist James Tobin has proposed that a one-per-cent tax be imposed upon every foreign exchange transaction. He argues that the tax would make speculation more expensive and would slow down the feeding frenzy when global markets turn against a country. Said trade policy adviser Hart, "It used to be that a single government had the levers to control and to govern. But in more and

most cases, a new level of global government is required."

For his part, however, Western's Lafler strongly disagrees with that view. "Market volatility is about a healthy market that, leaving wholly national policies," Lafler notes, "that even if exchange controls, which were only recently lifted in countries like Britain, were imposed, a healthy market subverts all justified barriers to its will."

A DERIVATIVES HANDBOOK

They have come down Mr. "Mudding Bands," "Invest Society," and "Wall Street," but they also have a many reputations. Derivatives are financial instruments that were designed to reduce risk, while giving investors the ability to bet and lose enormous sums.

In recent months, these products have been blamed for bringing down venerable Savings & Life London-based bank is Quaker Elizabeth R. Banking Group, George County, Calif., and involving several multibillion-dollar corporations. Still others note that derivatives are a useful financial tool that will play an increasingly important role in global money markets. Alan Alice Cooper, founder of the Canadian Bankers Association (CBA), "Derivatives will not trigger the next financial crisis and, in fact, they provide benefits to business, governments and the economy as a whole."

What Is A Derivative?

A derivative is a contract that has a poor derived value. It is derived from the value of, for example, interest rates, foreign exchange, equity prices or commodity prices. Derivatives have become extremely popular and complex in the past decade. There are many ways companies can use derivatives as a bet that interest rates will stay in a certain range. The U.S. consumer products company Procter & Gamble last posted a \$100-million loss last April when a widening bond was broken. Most Canadian companies, however, use simple "strategic" derivatives to limit their exposure to unanticipated moves in interest rates or currencies such as the U.S. dollar.



How Much Canadian Capital Is On The Line?

Canadian banks may have as much as \$7 trillion in derivatives contracts outstanding at any one time, according to the CBA's Cooper. Although that number seems vast, it is not an accurate representation of how much money the banks actually have at risk. The Royal Bank of Canada, which had total assets of \$275 billion, is among the largest Canadian players in derivatives, but it attempts to balance its risk. For example, Royal Bank limits its overnight risk on foreign currency derivatives to \$5 billion. That way, if exchange rates move sharply in any direction, potential losses are contained.

Are Individuals At Risk?

For most Canadians, owning a mutual fund or contributing to a pension fund means exposure to derivative products,

but with 24-hour global trading by unnumbered financial institutions and corporations, it would be impossible and impractical to monitor all the transactions, he noted.

SFPI, for Canada, the stock reality of global capital markets and their often-painstaking discipline of debts, has gradually frayed the country's social policy under pressure. At the heart of the set of national social programs is the established peace

deal that the federal government has a key role to play in deciding the economic life of the country. But with a heavy national debt burden, Ottawa's control of that agenda has clearly been overshadowed. In an interview with *Markets* last week, Industry Minister John Manley noted: "It's never pleasant to be a borrower. Our policy options are limited by our need to fuel the national deficit machine."

But Canadian securities regulators have set limits on which derivatives are permitted investments as well as who is permitted to use them. Tim Hill, who specializes in mutual fund issues as a partner in the Toronto law firm Hodder Day Wilson, says, "All these rules are intended to provide the maximum level of safety. I'm comfortable with the regulations. No one is swinging for the fences."

Why Have Derivatives Gone Wrong?

Investors can take large derivative positions with little money up front—and derivatives can make with a disastrous loss be a big mistake. There have been several derivative blowups since the mid-1980s. Two common themes have emerged in the various derivative blowups tried to find their way out of a bad situation, and made it worse. One reason might be derivatives they did not fully understand.

Over the past two months there have been several unusual examples of derivative-related losses:

- Ratings under Nick Leeson bet \$35 billion short, among other things, the Japanese stock market would stay steady.

The market went down—an old warning. The ultimate price tag for that transaction was more than \$1 billion.

- A Mexican peso trader at the Chemical Bank of New York City warned that the country's currency would strengthen in January. The peso tumbled. The trader was fired after losing \$100 million.

- Orange County treasurer Robert Citroen predicted that U.S. interest rates would continue to go down. Rates went up. Orange County went bankrupt, making the cost of that wager about \$2.5 billion.

What Is Being Done To Limit The Derivative Damage?

Guidelines on derivatives have been set out by two major Canadian regulators in the past year: the federal Office of the Superintendent of Financial Institutions and the Ontario Securities Commission. These regulations are based on what are known as "best practices"—conservative rules set down by securities police in 30 countries. When derivative deals explode, "best practices" usually were not being followed. Education is also part of the answer. A US survey recently found that just four per cent of senior finance executives felt that they actually understood derivative risk.

ANDREW WILLIS



There's a place where the music is real.
The laughter always flows. And nothing ever changes.

It's a place you'll find Southern Comfort.



Gaps between generations and classes within Barings' corporate culture helped to break the bank

Cultural Differences

BY BRUCE WALLACE

It should surprise no one that, when Nicholas Leeson, the most unsuccessful derivatives trader of all time, found himself on the run and wanted in Singapore for guaranteed deals that turned sour, he picked up the phone and called Max Clifford for advice. Clifford is Britain's most famous gossip agent, the keeper of the privileged and a sharp stick in the Establishment's eye. He takes on clients who can dash the dirt on aristocratic public figures and British Royalty, one of the City of London's most illustrious banking houses whose name is still uttered with a tinge that it's really a cross-hair.

"He said, 'Help, I'm being hunted!'" Clifford recalled last week, describing a telephone conversation he had on Feb. 27 with the man who was then the target of a worldwide manhunt. Barings' directors had suggested to reporters that the staggering losses were the result of "one rogue trader." Clifford heard his boss trying to subdue the hue. But according to Clifford through his lawyer, Leeson had been denied even speaking to the agent. The Singapore trader told him that his bosses had authorized the "no talking scheme," and he refused to name the culprit. With Clifford's help and some further digging, financial journalists soon uncovered details that pointed to the participation of other Barings executives in the trades that led to the bank's collapse. The rogue trader regulation began unraveling from this jolt off its hinges, and by the time Leeson had his last week awaiting a hearing as a suspect by the government of Singapore that culminated in forced charges, Leeson had "had a truly unusual worldwide media coverage," said Clifford.

By last week it was hard to find anyone who still believed that the bank's own top trading arm was blasters in the Sixties (that brought the 223-year-old institution down)—even if Barings itself



the previous year of our poised trading," p. 60-61. Documents recovered in Singapore indicated that Barings executives were warned as long as three years ago about the laxity of controls over Leeson's trades. And a paper trail emerged showing that Barings' London headquarters had diverted, according to some reports, hundreds of millions of dollars to Leeson's Singapore office in the weeks leading up to the collapse in order to cover his bet that Tokyo stock market index would rise. The findings prompted Singapore officials to widen their investigation to include fit or conduct of Barings executives in London, where Britain's Serious Fraud Office had already started its own inquiries.

To many Britons, the sitting by such a blue-blooded banking family to let the blithe an over-worked-class lad who had grown up on a public housing estate north of London was just another example at the class status at work. "Of course it's about class," said Clifford. "People like [Bank chairman] Peter Barling, who are friendly with the Royal Family, will suffer the harshest lower classes like Nick Leeson and myself as long as you're making money for them, but they would never have you at their dinner table." So full-blooded City

of London was born, pin-striped traders dismissed. Leeson as an "idiot," using the slur first describes someone with working class roots and the bad manners to match. Leeson's own behavior during his three years in Singapore supported the unfaltering portrait of a racy lech. He was fined for dropping his pants in a bar locker, a group of women, and press reports said he was suspended from the Singapore Cricket Club after he and his guests turned to Asian entertainment with erotic results.

Much more than class difference lie behind the fall of Barings, however. The fault lies not between generations, a division that developed only after Clifford enhanced the now, possibly lucrative business of trading the financial products known as derivatives. Barings' core business has always been the static, cautious world of corporate finance, with its emphasis on dispersion, advice and management of risk. In the early 1980s, an expanded set of securities trading in the domestic Asian capital markets, the old merchant bankers of Barings became to take a seat at the table with younger traders who were "driven by a desire to make money," says a source in excess of \$50 million last year—trading with the bank's money.

This new culture also means pride in the burgeoning power of derivatives traders and Barings' arbitrage culture. A little guy has might have come in lately while sprucing a customer client in a showy face meeting. But the hot line of derivatives trading are manned by young men and women in their 20s, sometimes called rocket scientists because they are so intently at ease with the computer models on which the business runs. "Derivatives is a young man's game and there are very few people my age or older, the people at the top of the institutions, who, in their bones, fully understand derivatives instruments and how they move," said one Mayfair City of London investment banker who requested anonymity. "What happened at Barings

was not a fraction of people's backgrounds. It was a fraction of age."

As the new glitzier field in the financial services industry, derivatives created a generation of young traders winner on the ridiculous task of electronically sapping huge amounts of money back and forth, with the prospect of multi-million-dollar bonuses for those who moved the markets. If the number of firms after the dollar sign in a trade are no longer overwhelming—and traders admit that they quickly become immune to the size of the deals they cut—then Leeson's decision that set of taking things deeper and deeper into his gamble on the Tokyo stock market trades becomes more understandable. "We all know what happened: he kept doubling up, hoping to wipe out his losses," said one City trader. "Once you've lost \$500 million, you may as well keep gambling because it's not as if you're going to be able to pay it back."

Even so, most investment houses maintain that they have careful controls in place to prevent individual traders from racking up such huge profits. The so-called back office, which authorizes and monitors every trade, acts as a brash on the activities of the traders. But at Barings' Singapore operation, which was a semi-autonomous unit, Leeson was the dominant trader as he suppressed the back office. "Tradition favored and demanded that the sort of people who can't like to be confronted with" said Derek Ross, a derivatives expert with the accounting firm of Touche Ross in London who is familiar with details of the Barings case. "These are the clever whizzkids and they want to do their deals and get the best deal. It's a long way from traditional prudent lending bankers who live in wood-paneled boardrooms."

Leeson's ability to circumvent controls may have been rare in the industry. But many experts say that his case points to another weakness in the system: the atmosphere being created to insulate traders from the rest of the size of each firm. "The balance of risk and reward is wrong," argues Ross. "If they get the market right, traders tend to make millions of dollars in bonuses. If they're wrong, the worst that can happen is that they get fired."

Unless, of course, they actually are criminal, which, in Leeson's case, is still to be determined. But already, his derivatives trade has brought unprecedented scrutiny to a business that has for power and clout to topic banks and corporate executives—and is seemingly a preserve of international moguls. Mortimer David Colan, chairman of the Telekom Group PLC in London, said: "What is horrifying to me is I visit the rounds of analysts and investment houses in that I can talk around a room with 60 to 80 people, knowing that the sum of money they control together is staggering and the average age is under 30."

Colan was part of the swelling chorus attacking the power that has accrued to such young traders. But there is also something that sounds like reverse agism in the snappy and wounded criticism coming from middle-aged business leaders. As long as there has been capitalism, capital has sought out the highest return. These days, that is fixed in derivatives, a market that is best understood and explained by the first generation to grow up completely at ease in front of a computer terminal.

Derivatives trading may sound like a high-falutin video game to many people, but, until Barings' spectacular failure, few complaints were heard about age. "In our business, when you're making money, you are cut so much short that it's unbearable," said one young City systems trader. The class divide at British institutions like Barings was epitomized by the huge profits of derivatives trading, only to be replaced by Leeson over age. If there was one image that symbolized the culture clash that lies at the heart of the Barings case, it is this: that when he was arrested in Frankfurt, Leeson was naked from the waist up, wearing a Detroit Tigers baseball hat. Barling has may no longer be in vogue in the City of London, but it is doubtful whether anyone in the still upper echelons of the British banking establishment would ever consider wearing a ball cap in



BY ANDREW WILLIS

They call it "the game." If they are good at it, they will play for about 10 years, and it will make them rich. If they can't cut it, they will be gone quickly.

They are not soldiers; they are traders—the quarterbacks for Canadian currency and debt in a global market where more than \$4 trillion (U.S.) changes hands daily. And in the past week, when the Canadian dollar set eight per cent against the greenback, before losing back, and the U.S. dollar was under siege, the traders were having at it.

At odds: Wood Gundy Investments, the trading room at the size of a horse barn, had even as early as 1985, when the currency markets hit bottom, the nervous energy of about 300 individuals housed over their telephones and computer terminals was palpable. By 8:30 a.m. on Friday the traders had already been at work for nearly two hours, and their tensely coiled posture betrayed a combination of intense concentration and too much coffee. Chatter filled the airless rooms, and when the U.S. government announced

Currency and bond traders are the stars in a game that is changing the state of nations



Masters Of The Universe

that key employment figures were much stronger than anticipated for February, the day had deadlocked levels. Every trader lunged for a telephone, and computers started to beep like enormous heart monitors. Dilibrium one senior trader: "This is very good for the U.S. dollar. We're on the move and life is good."

At 81, Karl Berger has been trading the Canadian dollar for eight years—ever since he graduated from business school at the University of Western Ontario in London. "There are occasional days when the game gets slightly tedious, but they're rare. I can't imagine doing anything else," says Berger, senior foreign exchange trader for CIBC Wood Gundy. There are 40 foreign exchange specialists on the Toronto desk of CIBC Wood Gundy who trade currency on behalf of the bank and its brokerage arm. On a typical day, between \$1 billion and \$5 billion flows through their hands.

Most of the trading takes place on behalf of clients. But occasionally, the bank or investment dealer's own money is at stake. In Canada, the trading "street," as it is known, is relatively small. A major war, or less probably viruses, often competition with a similar one. There is always a core of traders heading to the hottest downtown bar to relive the day's victories and defeats in mind-numbing detail. But whatever the strengthens, for the most part it tends to be a cooperative crowd, and in Toronto, the most restful at the end of the day is most frequently towards the usher.

Early last Friday, Berger was trading the market cautiously—after



Tokyo exchange trading in Tokyo: "economic nationalism" is never an issue in the market.

bulking U.S. dollars briefly, he backed out of the market. The market was showing no clear direction and he was anxious to avoid the whipsaw moves that characterized the performance of the Canadian dollar last week. His caution was well placed: the Canadian dollar closed at 71.07 cents (U.S.) on that day, almost unchanged from Thursday. And Berger was keeping a careful score of his perfec-

tion. In fact, every minute of a working day that when runs for 14 hours, Berger knows precisely how much he has made or lost for the bank. A computer tracks all his trades, and his supervisor and peers carefully scrutinize the profit or loss statements at the end of each daily trading session. A sense of poor trading performance could cost a trader his or her job. Says one bond trader at another Canadian bank: "The profit and loss statements—we're a big institution, but the reality is it starts with being 1 cent off."

"It is not easy to get into the game, as it is to stay in it. A typical trading record looks like this: it takes a decade in business or mathematics before anyone gets hired, and for the first few years you are recording, managing the trade in, for the strong who keep going, you are recording that this shows the time spent that prevails on a trading floor. The desks remain predominantly male, and while women say they are increasingly accepted in this world, one woman who worked at Banque FSB Ltd. notes, "Our frustration is that so much of the business, for finding out where the flows are going, still seems to take place in the locker rooms or on the squash courts, places where we're excluded."

Last August, the U.S. based firm, Salomon Brothers Canada Inc. hired Mario Zorzan, who graduated with a business degree from Mount Royal's McGill University in 1989 and whose résumé already included a stint as a bond intern under the nose of the Molson Exchange. After he was hired, Zorzan went through intensive training at Salomon's New York City office. He spent eight hours a day in classes for three months, with tests each day. He then rotated through six-month assignments in different departments for three months before he was ready to sit on a hot-line desk. The "new kid" at Salomon will now work under strict supervision for anywhere from three months to a year before being allowed to call clients and trade on his own.

But the rewards for building a reputation as a top-flight trader are tremendous. Although the investment dealers gained salary increases alone at the year-end, industry sources say that recent graduates

You futures pit at the Mercantile Exchange in Chicago: "This business used to be based on litres of money created by trade."

probably pick up a \$50,000 paycheque in their first year of currency or bond trading, with no chance at a bonus. If they are good and survive in the business for a few years, the base salary for top performers is around \$100,000, with the possibility of earning a bonus worth three times that—about \$300,000—in a good year.

The recent arrival of several U.S.-investment dealers in Toronto has increased the demand—and the pay day—for veteran bond traders. As part of the launch of a new Toronto operation, Lehman Brothers Inc. is reported to have guaranteed a \$700,000 loan to lure 30-year-old traders away from their desks at rival Canadian investment houses.

But what may be a high-stakes game for traders is actually a core component of Canada's economy. And as players in the game, investment banks are more important: the pools of capital they service around the world, have taken partial control of the government's ability to set economic policy. Federal Industry Minister Jim Moxley told Maclean's last week that the Liberal government's policy-making power has been hamstrung by the soaring cost of servicing Canada's debt and by the country's reliance on foreign capital. And, he noted, such importance is "far political rather than the fiscal argument for setting the deficit under control."

For his part, CIBC's Berger gives Finance Minister Paul Martin high marks for portraying a credible budget. But he adds that just a week later, the budget is already ancient history. His views on the market, he explains, "change every kilohour." Others, however, see a stronger and longer view. One trader at Toronto-Dominion Bank declares that his employer has implicitly told staff not to discuss politics with the media. But he then proceeds to do just that. "If the Liberals think they're setting the economic agenda, they're really isolated in a平行世界. Disneyworld on the Releas."

However wringing that declaration may sound, it is not altogether off base: Canada is the world's largest foreign debtor, and Statistics Canada reported last week that the country had an international investment liability of \$502 billion at the end of 1989—an amount equal to 45 per cent of gross domestic product. That figure represents the difference between foreign claims on Canada and Canada's claim on foreigners. Andrew Spence, an economist at Ontario Council in Toronto says, "Canada's debt limits the kind of fiscal policies available to the government. If you want to be a borrower, you have to conform to credit standards set down by lenders."

In world terms, the Canadian market is relatively small, and when larger international debts have to be paid off, interest rates on a trader's day-to-day basis are high. The Japanese central office's foreign bond rate is notorious for soaring during the yen's rise. In Canada, the bond rate is fixed at 8.800 million euros, one of the lowest in bond in a single transaction, a move that will severely depress foreign prices.

Still, placing that Canadian debt in foreign bonds at just a job—about a lucrative one—at the country's major investment houses like Montreal Trust Co. or a U.S.-based investment dealer named "Economic nationalists like never come up here. Selling bonds overseas is good business. It also lowers Canada's financing costs. It certainly doesn't make our job less Canadian."

At times, however, the job can have dire consequences. Currency trader Albert Fringsberg, director general of Foothills Mercantile Corp. in Toronto, says he was "politically shocked" when his pub-listed preference of a coming crisis in Canada's currency market knocked half a cent off the Canadian dollar over a few minutes of European trading. Fringsberg and other traders say that such a strong reaction to relatively innocuous comments reflects how nervous markets are when it comes to highly indebted nations such as Canada and Mexico. It also illustrates the changing nature of the global market. Negative views on the U.S. deficit outlook and Mexico's ongoing economic woes sent funds sailing out of North America and into the German mark and Japanese yen and the U.S. Federal Reserve spent up to \$14 billion a day early in the week in

what proved a disastrous attempt to prop up the US dollar. Philip Wilson, a senior vice-president at the Bank of Montreal in Toronto says: "This business used to be based on flows of money created by trade. Now, flows of capital are exponentially larger, and move more quickly, driven by the needs of fund managers."

Canada's appetite for debt has made the currency and bond departments of investment houses one of the country's top growth industries. While there have been lulls in the securities sector recently, overall expansion in the investment industry totalled 24,284 at the end of 1984, compared with 19,886 two years earlier. And new players keep entering the field. Last week's move by Lehman Brothers followed a trail blazed last year by Salomon Brothers and Morgan Stanley Canada Inc.

The U.S. oilers are here to win the right to sell Canadians oil abroad—and they intend to succeed. Canadian regulators regard that foreign investment houses have no office in the country. The 65th-floor offices of Salomon Brothers in Toronto offer a spectacular view of Lake Ontario. But it is not something that any of the five founders will enjoy. Jerry Brown, Salomon's director of fixed income trading, said that he does not want his staff to be swayed by acronyms when they are trading huge blocks of bonds, so he has had the trading rooms designed so that the traders face interior walls.

Focus and concentration may be imperative for traders, but they also take a toll. Throughout the business, stress levels are extremely high, and Salomon Brothers' Brown says a trader's career usually lasts only about 18 years before they burn out. After that, they drift into jobs in management or portfolio managers, where the hours are less intense, and lucrative bonuses are realized by an office executive nonetheless.

Trackers submit their self-enterprise and expand rapidly with every trade. Dan told me today that he is considering leaving the business because "when you're in it, you can't seem to make money, it can affect your whole life." Says another market veteran: "On the good days, I'll click with one account and that energy passes over to flow into the next trade, and the next. I can't grasp. On slow days, I listen to a lot of jazz. Yet another trader jokes, "I'm 25, been doing this for three years and don't see doing it a year from now. In this business, a short-term view is hard

Along term view is not uniformly rosy.
Can the good times continue to roll on Canada's currency and trading desk? They can, according to the traders, as long as Canada's federal and provincial governments continue to spend more than they take in. Despite the austere trappings of the Feb. 27 federal budget, Ottawa alone is projected to incur \$94.5 billion in new debt in the next three years. And if that happens, the game will continue.

Shoot the Keynesians



THE BOTTOM LINE

BY DENNIS McMURDO

If you listen closely to the sound of global currency markets these days, you may detect a persistent, high-pitched drone beneath the mighty roar. This irritating noise is

caused by a small but stubborn minority who are convinced that market speculation—and the volatility that it engenders—are evil forces that must be exercised. Will, fearing swings in currency rates, that pose no costs, undermine carefully structured government policies and ultimately erode national sovereignty. According to them, the young technicians who impulsively whip billions of little dollars around the world each day, in a never-ending search for the latest profit spread, are sketchy agents of a shadowy élite. And as such, the shadow goes, someone should crack down on the whole distubed plot and rein them all in.

To that end, the Nobel laureate American economist James Tobin has even theorized that market speculators should be deterred from their distasteful agenda with a tax of one per cent on every currency exchange transaction. Given that the value of global money supply is now set at about \$7

country's budget deficit would be reduced by \$10 billion every day, that action would generate a tidy sum of \$16 billion. Not only could that money be deployed for the greater good of humanity by funding the United Nations or the International Monetary Fund, according to Tolokonnikov, but it would effectively become a supranational market regulator by making the short-term flip of cash from one currency into another considerably slower and more expensive.

What a delicious recipe for innovation, stability and harmony! Take one efficient, well-balanced free market. Toss it up with some elaborate artificial restrictions, carefully creating it as liquid as fine process cheese. Season it with plenty of Keynesian dogma about the infinite wisdom of government intervention in an economy. Sprinkle with a touchstone discourse on the immorality of excessive capital gains. Heat and serve.

There are a great many things worse

with the notion that foreign exchange markets need to be slapped into line. But perhaps the most aggravating component of such arguments is that they

reflect an apparently benign with something worse, yet. Unlike equities foreign exchange market risk is because it is no measure, no instrument. As a result, it is difficult to study or digest it. It is a perversion, digests it and the miracle of modern technology already transmits its judgment. That highly efficient globalisation the cloak of servants and politicians, who are now among a broadside away from a political agenda.

open the way, would even the highly Federal Reserve Board in Washington — backed by the full firepower of its central bank treasury — could not alter the market's assessment that the greenback is overvalued against the Japanese yen and the German mark. In the end, the bond market then blew close to a billion dollars over a few days, vastly trying to reflect that trend that has been building for years: the slowdown of the U.S. dollar.

in the enormous legalities involved, unenforced foreign debts are valuable because they highlight both flaws and weaknesses in international ecosystems. Rather than dangerous imbalances in the social situation to continue, foreign exchange market forces forced that country's political and business leaders to a new level of political risk-taking, as they rising shotgun on the one hand, while allowing Canada to, on the other, they cut up some card.

change traders—whatever their taste for load fits are—not the cause of internal volatility. They merely magnify what is already there. The message, but the answer, is that there is.

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Potash Corp. diversifies its bag of fertilizer

Potash is a hot commodity in China. Passenger traffic carrying fertilizer have been boosted, and one case was reportedly even killed in a hospital over potash a few years ago. The Canadian potash industry can take credit for creating some of that welcome demand. It has run a grassroots marketing campaign in China for more than a decade. Among other initiatives, the industry has operated field trials in which agronomists grow crops on small plots just to demonstrate the benefits of using potash. It also sponsored what was by local standards a fairly aggressive advertising campaign, featuring Mark Russellay, an Ottawa-based chemist who is popular in China. Charles Chalifour, chairman and chief executive officer of the Total Corp. of Sudbury, says that the marketing has been so good that even the 8% import tariff, which puts a cork on Sudbury's potash has become no advantage. "In China they had a 'lucky coke,'" says Chalifour. In his American Midwest tour, "the Chinese refer to our potash as the 'lucky coke powder'."

party—the largest potash producer in the world—announced that it would spend \$1.5 billion to acquire Tessenderol's oil at Raleigh, N.C. Tessenderol is a low-cost producer of phosphate, which along with nitrogen and potash are the three key agricultural fertilizers. Considerably, China already has large domestic supplies of phosphate. Potash Corp., which produced 14 per cent of the world's potash last year and currently estimates that it has 280 years of potash reserves under the ground in Saskatchewan, has lost its shopping for an acquisition. Charles, who worked for the Global of Northbrook, Ill., a large phosphate and potash producer before he joined Potash Corp. in 1987, says that he has "covered" Tessenderol for years.

company's casting business and will increase its short-term profits.

In fact, Goldie liberates the resource potential of Saskatchewan's potash industry from that of the aluminum industry. "Around the turn of the century, a group of people realized that one of Canada's prime assets was the hydroelectric power potential of Quebec and they capitalized on that by building aluminum smelters," said Goldie. By comparison, the massive potash deposit, which runs in a 300-km-wide belt across southern central Saskatchewan for 500 km—now estimated to contain reserves of 35 billion tonnes—may be the most valuable single mineral deposit ever found in Canada. "I can't think of any other ore deposit in Canada that will provide such a benefit to the country," he said. "It will probably represent the economic exploitation of this province in the same way that the English Quebec is hydro potential."

Reserve Corp. originated as a cooperative in 1975 with the mandate to develop the massive iron deposits. As before, the company was privatized in 1989, its operating strategy changed, instead of producing potash as fast as possible to maximize the number of jobs for people of Saskatchewan, the approach they took was to restrict output to meet demand, said Gollie. "Their mandate was economic profitability." The final step in the privatization occurred in January.

Papuans also
‘single-pick
powered’ by
fear and by
Christian

a restriction imposed that limited an individual from owning more than five percent of the corporation's shares.

Throughout Latin America, Cargill is also a low-cost fertilizer producer. Its 30,000-acre phosphate mine site at Arroyo Seco, N.C., is the largest integrated phosphate mine and chemical processing complex in the world. Tessopal has no one body that represents 30 per cent of the known phosphate reserves in the United States with an estimated life of 75 years.

The spirit in Polish City's share price following the TexacoPill tournament is just the latest jump. In the past 18 months its share price had doubled to \$80, largely because of the market's expectation of a steady *in*crease in measured oilfield turnover.

stra. Although sales are forecast to grow only modestly in the traditional markets of North America and Europe, demand is expected to rise in such developing countries as China, India and Brazil. There, rising income levels and standards of living are increasing the demand for sport and leisure food.

Asia is the single most important offshore market for Potash Corp. China bought 26 per cent of Potash Corp.'s product last year, and Chelders estimates that by the end of the century it will account for 40 per cent of the company's sales.

• View the following video clips from the book below.

When did you first learn the value of a good mechanic?



Snap-on Tools

A tribute to the outstanding technicians who keep us moving

Business NOTES

McCain's food fight intensifies

Over the past 18 months, the town of Plattsburgh, N.Y., has been rocked by a bitter dispute within the McCain Foods family, which privately owns the town's principal employer, international food conglomerate McCain Foods Ltd. Last fall, after failed arbitration and extended legal wrangling, the board of McCain's ousted Wallace, 64, fired his position as co-chairman-executive officer. The bid to replace Wallace was launched by his brother, Harrison, 57, ostensibly over succession plans. The brothers co-founded the 30-year-old company 40 years ago.

Wallace, however, is now bouncing back. Last week, he announced that he had joined forces with the Ontario Teachers' Pension Plan Board to make a \$1.5-billion takeover bid for Maple Leaf Foods Inc. of Toronto. "The food business is in our family's blood," Wallace said in the statement. "I can think of no better organization to apply our enthusiasm, experience and global food service expertise."

Wallace and the pension fund have each agreed to put up \$150 million for the takeover bid. The partners will also use \$190 million from Maple Leaf's coffers to finance the deal, and they will borrow another \$650 million from banks. Currently, by far the largest shareholder in Wallace's takeover proposal is Canadian pension manager the Financial Services Board. Royal Trust Service placed one of Maple Leaf's senior notes and commercial paper under review for a potential downgrade. RBC, Maple Leaf's largest union pension fund, recently last week. The company posted profits of \$757 million, up from \$611 million in 1993. One of the brightest areas was the company's real estate portfolio, which racked up \$25 million from selling various units in its network of Toronto-area facilities.

If the deal proceeds, Wallace will be named company chairman. Although Maple Leaf and McCain directly compete in a few product categories, they are generally in different parts of the food business. McCain specializes in frozen foods, while Maple Leaf produces processed meats and baked goods among other grocery items.



Wallace McCain, family CEO

Wallace does plan to use former McCain executives, however, to manage his former company. He announced last fall he expects his sons Michael and Scott to join him at Maple Leaf. Also, Jackie McCain resigned from his position as executive vice-president of McCain Foods last week to join Wallace.

Meanwhile, Harrison worried that Wallace, who still owns a third of McCain Foods, will be compromised in his role as a McCain board member if he heads a competing company. In fact, the day after Wallace announced his play for Maple Leaf, Harrison fired Wallace's son Michael, president of McCain's U.S. operations. Harrison referred to "acts of insubordination" on Michael's part. Michael responded by threatening to sue for wrongful dismissal. Of his uncle's claim of insubordination, Michael said, "Anybody who harbors a differing opinion to Harrison McCain is viewed as anachronistic."

But Harrison is not the only one questioning Wallace's strategy. Third debt restructuring of Wallace's takeover proposal is causing concern in the financial community. Donwood Road Rating Service placed one of Maple Leaf's senior notes and commercial paper under review for a potential downgrade. RBC, Maple Leaf's largest union pension fund, recently last week. The company posted profits of \$757 million, up from \$611 million in 1993. One of the brightest areas was the company's real estate portfolio, which racked up \$25 million from selling various units in its network of Toronto-area facilities.

These warring financial results prompted analysts to speculate on whether a bidding war will break out over Maple Leaf. "Earnings were good, the cash flow was strong," said Michael Palmer, an analyst with Equity Research Associates in Toronto. "It might just be that somebody else's interest." This latest twist already has the full attention of Harrison McCain—and Plattsburgh.

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OPENING SKIES

OTTAWA will decide the landing rights under the open skies agreement signed by Canada and the United States last month. Air Canada gets a coveted route to Hong Kong, and Canadian Airlines International Ltd. gains entry to New York City and Chicago. Canadian also gets access to Germany and to Malaysia, Vietnam and the Philippines once those have been signed with those countries.

EMPLOYMENT SLIPS

Canada's unemployment rate dropped to 9.6 per cent in February from 9.7 per cent in January. According to Statistics Canada, without a small dip in the workforce, the unemployment rate would have risen. Employment actually fell by 20,000 jobs in February. Service sectors, however, are still strong; employment in manufacturing grew by 20,000 jobs.

BALANCING ACT

After more than 20 years of red ink, Manitoba has moved back into the black with a budget forecasting a \$45-million surplus for 1995-1996. Previous deficits were balanced by a one-time \$45-million infusion from government-run gambling operations. Manitoba is the third province this year to balance its books, joining Saskatchewan and New Brunswick. The Progressive Conservative government also outlined proposed balanced-budget legislation requiring future governments to balance their budgets and restrict assets. Manitoba's \$2-billion debt should be eliminated within 30 years.

A MAJOR DRUG DEAL

Wellcome UK surrendered to a \$21-billion hostile takeover bid by Glaxo PLC. The merger will create the world's largest pharmaceutical firm. Glaxo, of London, is the second-largest drug producer behind Merck and Co. of the United States. It makes the slow-metabolizing Zantac, the top-selling prescription drug in the world. Wellcome, also of London, is best-known as the maker of zid, used to fight AIDS.

DRAIBING CP

CP Rail maintenance employees walked off the job in parts of Ontario and British Columbia. The company countered by locking them out, or, in Rail's case, that its workers are continuing to work on time, despite the absence of 350 workers who took after the tracks. The Brotherhood of Maintenance of Way Employees and its sister union, the Canadian Railway Employees Association, have threatened to strike again. The Rail bid showed that 73 per cent of Railroader party members approve of Liberal approach—though their leader, Preston Manning, had just the week before presented an alternate budget of his own.

THE NATION'S BUSINESS



A budget that changed a nation's psychology

BY PETER C. NEWMAN

No provincial premier has spoken so rarely about Paul Martin's recent budget than Ontario's Bob Rae, who is understandably upset about the transfer payment cuts from Ottawa. Yet it was Rae who, more than any other politician, placed the Liberal document in its proper perspective when he declared that "it literally ends the Canada that we've known." It does. And with a vengeance.

More than that, the reception of the budget signals a new psychological mood, so different from the kind of cheer the poster period of it represents: a dramatic shift in the Canadian character. A nation that grew up on the government dole has come of age.

The most interesting public reaction is the budget itself in an Ariane Reid poll done for Southern News. It demonstrated that most Canadians thought Martin's \$6-billion budget cuts didn't go far enough. Even though it was the broadest budget in living memory, an accompanying 50 per cent of Canadians thought it was on the right track. The reason is not on the right track, of course, was that Liberal voters don't believe what they always did: that their government will always bring them home, whichever party is in power. They have achieved some separation with the voters. During the King St. Lawrence Pearson and Trudeau eras, that meant appropriation of the plaudits of the CCP and of its successor, the PC. Now, the Gays are getting their ideas from the Reform Party of Canada, and just like the old days, we carrying Reform supporters along with their revised ideology. The Reid poll showed that 73 per cent of Reform party members approve of the Liberal approach—though their leader, Preston Manning, had just the week before presented an alternate budget of his own.

Popular support of the Martin adventure represents an extraordinary confirmation of Michael Wilansky, who, during most of a decade as finance minister, never once tried seriously to tackle the deficit. Throwing money at problems was supposed to be good politics, and that was Lang before the budget, the Liberals built the deficit into a huge mess. There had been enormous ignorance in this country about the complex issues associated with the debt and the deficit until quite recently. Possibly the deep deficit established by the Conservatives in the 1980s gave a favorable incentive to it had a lot to do with the liberal spending debate. The notion that you could do a lot and stay popular with the voters fired up Ottawa's revenue.

Once convinced that cutting at the federal level was the way to go, Canadians wanted to proceed with gusto. Four in ten surveyed by Reid thought that Ottawa was cutting the deficit too slowly, and 10 per cent thought the pace was too fast. A surprising 85 per cent believed there would be a lot more cuts in the future, and at least by implication, did not object to the process. (If Martin is to reach even his very limited target of reducing the deficit in three years' time of GDP by 1997, he'll have to make even deeper cuts than he did in this budget for at least two more years—and that assumes no recession in the interval.)

"Canadians haven't had any significant improvement in their material well-being for some time," notes Reid. "They were caught in a double whammy because they thought the social act world would be there forever, and now they see it quickly eroding. But what this poll tells me is not that Canadians are uncaring, or that we're less compassionate as a society, but that there's been a fundamental shift in our degree of underlying confidence in government. We view the Liberals to resolve our mutual problems."

No budget is happy, but there was a horrendous beat in Quebec. Bouchard's struggle to find something nice to say about it, one of the document's most striking provisions was its dismantling thrust in creating more block grants and reduced jurisdiction. This amounts to a dismantling of the federal state, making come true another dream the Liberals honed from one of their cornerstones—Joe Clark's vision of Canada as a "community of communities." In fiscal 1995-1996, federal cash transfers will be down from this year's \$17 billion to \$10 billion, which the provinces will gladly grab for their resources but will not be large enough for Ottawa to enforce any meaningful nationalization. Provincial cash transfers will drop from the last of fiscal 1995-1996.

Quebec took a very different tack. "People who think governments today can grow are wrong, because there's an election coming up," he said, and after his budget was tabled, Bouchard didn't understand the overwhelming degree of national will by Canadians from coast to coast to let go of the federal state and make that country succeed—and not just on to the next generation the terrible legacy that we have inherited and created."

"It's a felonious budget," Angus Reid said last week, when I dropped in at his Vancouver office. "It was so brilliant in its pre-empting as to its execution. Our teaching at the University of Western Ontario is to destroy the Canadian economy. Overall, the Conservative government managed to do exactly that. When the Liberals came in, they had to do exactly the opposite of what the previous government did. What's remarkable is that the Conservative government did a lot of things right. When you look at the numbers, when you look at the fiscal record, when you look at the fiscal situation, it's a greater understanding of what Canadians want in this government, at least for now, the Liberals have come up with a winning recipe."



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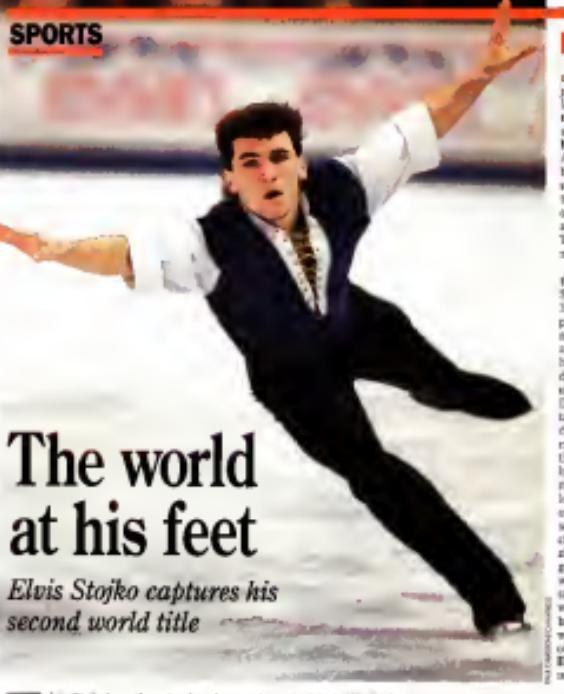
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SPORTS



The world at his feet

Elvis Stojko captures his second world title

Elvis Stojko's mother stood on the stands and watched his cameraphone shuttered and jumped up and down as her coach looked for something to be done. Bryan has chosen competitor, Todd Philpott of the United States, applauded after a flub, and Stojko was not even finished skating. That aside and all, the 22-year-old had just completed an unbroken and nearly unbelievable triple toe-loop jump to conclusion with a difficult triple lutz that sent four footmen into his already roiling free-skating program. That night of fancy skating was one of 10 applications from the audience at the World Figure Skating Championships in Birmingham, England, last week, and it prompted the Canadian to his second straight world title. For Stojko, who had badly sprained his right ankle on Jan. 10, the second title left even better than the first. "I'm glad I went through those

right weeks (of rehabilitation) to have what I have now," he said with a big grin. "It's hard to put into words what this means. It is a sweet victory."

Stojko's victory had ramifications beyond last week's competition. Following Brian Orser's win in 1987 and Kurt Browning's four world titles between 1990 and 1993, Stojko ended Canada's nine-elimination of the previous men's event. And the victory sends the popular skater into another lucrative off-season of endorsements a year when audiences seem to have an insatiable appetite for the sport. Stojko's triumph also makes him the marquee performer going into the 1998 world championships—a bonus for Canada because the competition will be staged in Vancouver. As for the sport, Stojko's gritty performance once again raised the standard for future skaters. At the 1994 Winter Olympics in Lillehammer, Norway, a top-level men's free skate

needed six triple-toe loops in Birmingham. Stojko landed eight loops, including two triple-triple combinations, and only just missed nailing his final quadruple toe-loop. And his was not the only airbourne justice. Half the 24 skaters in the field landed triple Axels, a jump powered only 18 years ago by Canadians Gigi and Vicki Taylor. The next generation of skaters may need a place to learn.

According to his coach, the crowning achievement on Stojko was that he would be ready to compete. Some experts suggested that he was simply better because of the anabolic steroid that prevented him from defending his Canadian championship at Blaeberry in mid-January. His coach, Doug Leigh, did a stellar imitation of baseball's Sparky Anderson, the Detroit Tigers' manager who likes to take the pressure off his own team by racking up the strengths of his opponents. Leigh did not let up even when it was all over. "It was a test, almost at survival," he enthused. And choreographer Uschi Kewitz, no stranger to drama, got positively teary-eyed when she talked of Stojko's standards. "Trying the quad was such a risk," she said. "If I had known that the wrong way he would have been out of there. But the only way I can know how to compete is to go for broke."

Stojko himself played down the pre-game jitters with a smile and, throughout his workouts at the Maritime figure-skating club in Barrie, north of Toronto, he remained outwardly confident that he would recover in time. But the injury did not stop valuable training: he was unable to practice the more difficult jumps until 10 days before leaving for England. And even though he had been assured that the ankle was strong enough, he was unnerved by the fact that the injury was to the foot on which he lands most of his jumps. Later, with his championship medal around his neck, he admitted that rehabilitation from the sprain had been a time of "frustration, doubt—the whole rollercoaster of emotion." In the end, he said, "I trained myself. I knew I could do it, and I proved that to myself."

Stojko's victory was not supposed to be so hard fought. Russian Alexei Yagudin, who beat Stojko at the 1994 Olympics, is increas-

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SPORTS

egy varied as a one-lot wonder. Eldredge had been out of elite skating for three years because of a back injury. Philippe Candelier, the mercenary Frenchman, had looked well off form at the European Championships in January, but the final produced some dazzling performances. To finish second and third, respectively, Eldredge and Candelier showed in the limits of their abilities. Eldredge landed seven triple jumps, including two difficult triple loops. "I was probably a little disappointed I didn't win," he said, "but they were out and skated great." Candelier, wearing his amateur garb painted onto his face, performed with his usual panache and unusual precision. Eldredge came home in fourth place.

More skating cheer was heard yesterday at the Worlds by Canada's team, which had been depleted in the post-Olympics season by defections to the professional ranks (including Browning, Jeannie Cheung and pairs sisters Isabelle Bourassa and Lloyd Eisler). But Michelle Masse of Cambridge, Ont., and Jean-Michel Boileau of Laval, Que., managed to finish 12th in the pairs competition and might have done better except that Masse had been hit by a debilitating bout of chicken pox. Jennifer Robbinage, 18, of Windsor, Ont., the only Canadian in the senior women's field and skating at her first senior international event, finished 19th overall.

The most stunning development for Canada was the fourth-place finish of dancer team Shelly-Lynn George of Charlottetown, P.E.I., and Victor Kraatz of Vancouver. In the laymen's world of ice dance, judges usually make a newcomer pay their dues for years before they can crack the elite. Yet Bourne, 18, and Kraatz, 23, have climbed from 14th at the Worlds in 1993 and sixth in 1994. They attribute their showing this year to working with Russian coaches Marina Khokha and Sergei Ponamarenko. "We want to move up gradually and be in contention for first place by 1997, the year before the Olympics," Kraatz said. "The ultimate goal is to do it in 2004. We want to be first. Anything that comes before that is a bonus."

For the signatures of next year's Worlds in Edinburgh, the high placement of Stojko, Bourne and Kraatz, and Masse and Boileau was a relief. By finishing among the top three, Stojko ensured that three Canadians would qualify for 1996. By finishing in the top 10, the pairs and dance teams enabled two Canadian teams to qualify in each event next year. Not that it makes a difference in the skating itself. Norland's Cuthbert sold out in 72 hours. By comparison, the men's lead in Birmingham attracted only 5,000 fans to the National Exhibition Centre. "Our fans don't have to leave the Canadian domes there," Edmonton official Jim Whistley said, referring to the week's competition. "But if they happen to come from Canada, or from Edmonton, then so much the better."



Ice dancers Boisseau and Kozuka rising fast in the slow lane of international figure skating

country, Stojko will be under enormous pressure in 1995. But as much as for his gravity-defying jumps, he is renowned for his ability to shut out distractions and perform when it counts. That was apparent last week when, having seen Eldredge and Candelier skate before him, he realized he would have to skate almost a perfect routine to win. That is why, at the end of his routine when he was overly exhausted, he kicked on the extra triple. "I knew that after missing the quad, I avoided everything worse," said Stojko. "So I took a breath, gathered my energy and went for it." He did, and he won.

JAMES DUNTON with DON HELDGE
in Beaconsfield



LETTER FROM

Raymond, Alta.

A patch of hoops heaven

In tiny Raymond, tradition and religion have made basketball king

The tiny town had played below -20° C in the wake of the worst snowstorms of the season. And it was an almost meaningless game. The Raymond High School senior boys team was playing the weakest road in their southern Alberta league: 800, nearly 500 fans, from fellow students to grandparents and young mothers carrying babies, braved the cold and blowing snow to come east and cheer the Comets in their final home game against the Medicine Hat team.

In Raymond, both the level of support and the quality of the basketball are extraordinary. A town of 3,300, about 300 km south of Calgary, it is at the centre of a little patch of hoops heaven, a rural area in southern Alberta populated largely by the Mormon descendants of American immigrants, where basketball excellence goes back three and four generations. The

Comets have won the provincial title seven times since 1966, more than any other team. And they play in Alberta's 4A division—against the province's largest schools—even though Raymond High School has only 270 to 300 students each year. "When you are Raymond," says Albie Melchukoff, basketball star during his high school in the private, "most people know basketball will get them heads and say, 'Yes, there's good basketball!'"

Raymond's success has a lot to do with its ardent fan support. Kris Wiggin, a amateur, three-inch forward and guard on this year's Comet team, played at his home-town high school in Coopers, west of Calgary, last year in the 3A division. His schools in the 200- to 700-student range. But he met another Raymon player, Shonan Barker, while playing basketball last summer and, in the fall, moved in with the Barker family for his Grade 12 year so that he could play in the 4A division.

house game, after a slow start against Meth-
calf East, the Comets demolished vintage Raymond play, breaking down the court with each turnover towards a concluding 84-66 victory. "They're famous for travelling—they get the ball forward really quickly," says Bob Poole, commissioner of basketball for the Alberta Schools' Athletic Association. "They can run an organized break at high speed."

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Captain Comet rises up the crowd-fest following

The intensity of the basketball following in Raymond at first surprised 17-year-old Wiggin. "In my town, the kids say that when they grow up, they want to be a Chicago Bull," he says. "With, it's 'I want to grow up and be a Comet.' It's kind of funny in a way, because everyone pays attention to the Bull. But people also watch what you do and if it's kind of hard being a teenager—but it keeps you out of trouble."

All that attention can create hideously expectations. "Certainly, there's a lot of perceived pressure on our coaches," says Raymond High School principal George Bohne. "And as a school administrator, I have a lot of dealings with parents about basketball than administrators—parents thinking these kids aren't playing enough, that our rules are too strict or not strict enough." Bohne's son Richard, a Raymond graduate and now the star of the University of Calgary team, says that players feel the pressure, too. "Some people feel, 'Uh oh, we've got to win or the town's going to hate us,'" says Richard Bohne. "And I've known some people who say that Raymond has blown it out of proportion. But I think that game has brought the community closer together."

Certainly, the grassing of future Comets starts early. Kids begin playing organized basketball as early as the fourth or fifth grade—and they play around with the ball long before that. It is a tradition in Raymond to allow kids to swim the coast at Halloween, to dribble and shoot basketball. At the annual against Medicine Hat, even three-year-olds are sent trotting around the court with balls clicking through the rim. "Parents, dribbling, shooting—those kids start at a young age," says Gary Howard, who has coached several Raymond graduates on University of Calgary teams. "And they're fundamentally sound by the time they're finished school."

It was the same when Albie Melchukoff was a high-school star in Edmonton in the 1960s, so when he went on to play for a University of Alberta team that competed in the Canadian finals, it's a testament to the basketball skills still atop which Raymond stands. Melchukoff still remembers his longest game ever, as the 1966 high school final when his team upset the Comets. Melchukoff played against arguably the best player ever to come out of Raymond, Phil Tollefson, a smooth, six-inch forward who, along with a brother, Tim, and another Raymond star, Alan Williamson, played in Canada's national team in the 1970s.

According to Tollefson, the warm climate that blows across southern Alberta has helped Raymond's hard-court fortunes. "We do not have great outdoor hockey rinks or pools in the early days," says Tollefson, now a teacher in the neighboring town of Mayfield. "The chinook would come and melt the ice. So hockey did not take quite the hold it did in other areas."

In fact, most of Raymond's best athletes will choose basketball over hockey by the time they reach high school. And while there are other basketball havens in Canada—Vancouver, Toronto and Marquette are just a few more competitive leagues—the small size of Raymond, along with its long basketball tradition, makes it remarkable. The early settlers in the area, mostly Mormons from Utah, brought the game with them soon after the turn of the century, building two fine facilities—a gym-

Captain Todd
Fraser goes for
the jump shot
expectations



the windows of the Opera House as a manager to watch the Jacks play. In the 1950s, he joined the team himself, risking it on the national playoffs almost every year for a decade. "They were some of the most inspiring and happy times in my life," says Tollefson without a smile. At a funeral recently, he adds, an out-of-towner who had never met before recognized him as a former Diana Jack. "I haven't played in over 30 years," marvels Tollefson, "and that name still resonates."

The current crop of players know all about the Jacks and the Tollies. And they know about Richard Bohne '84 and the string of records he set on the University of Calgary team from 1982, including most points ever by a Canadian university player—887. Bohne, a stickup, one-inch guard, says that he went to all the high-school Comet games with his parents from the time he was a toddler. "I can remember bringing my horses on the team, as the Jacks in second and third grade," says Bohne. "Each year, I wanted to take the best qualities from the best players and put them in my own game."

In Raymond, basketball fever is practically hereditary. Comets assistant coach Jim Ralph played for the team in the 1970s. His son Dustin is now a Comet. And Jim Ralph's mother, Jessie, 68, who watched the Medicine Hat girls from the stands, played on a high school girls team that won provincial championships in 1954 and 1955. "Even my mother played," says Jessie Ralph. "She was born in 1911, and she was at the very first Raymond team." Girls were long injury bloomers in those days. But Jessie's mother's team took to wearing more comfortable pants—definitely cut just above the knee, she says. "And they'd run near or kick kicked out of the league."

Today, the Raymond high school girls are still formidable competitors in the 2000s: the girls' team has two provincial championships in 2A—the appropriate grade for the size of the Raymond High School. And they won another in 2002, after they came up in the more competitive 2A division. This year, they finished second in their first year in the regular season.

Meanwhile, Raymond's male boys team won 17 of 18 games in the regular season in a combined 2A and 3A league this year. With players like Richard Bohne's younger brother, Tim, and the junior version of a world record-setter, 16-year-old Albie Melchukoff, the Comets are clearly a basketball court attached—part of the Mormons' emphasis on healthy minds and healthy bodies.

In the early years, that helped propel the Diana Jacks, a local senior women team, to win the Canadian national basketball championship. In 1984, Diane Wilson, an 84-year-old retired math teacher who still lives in Ray-

MARY NEMETH is in Raymond



Shock, horror: a press coverup

BY GEORGE BAIN

The question here is whether a statement of principles, which hardly anyone seems to exist, is better than no statement of principles at all. To my mind it is, if only for the fact that it does exist. To do away with it without putting in its place something better, or explaining why not, can only argue that even a token statement of principles is too much—in this case for publishers of Canada's dailies.

It was in 1977 that the Canadian Daily Newspaper Publishers Association (CDNA) adopted the statement of principles on the block. It was calculated to set a minimum standard of good editorial practice that would apply in member papers generally. The document the members were persuaded to accept might have been called a code of ethics. It wasn't—because some found the vague term "principles" had to swallow. The vaguer term "principles," which could mean anything, was fine.

Certainly in the beginning, most subsections had thought the CDNA might at some transform itself into a wholly liaison body into one unifying, as editorials and news as practical, organization. That did not last long. Rather, the statement, as far as it went, was left to drop right from the face of the earth. Some publishers nevertheless remained uncomfortable, concerned that the CDNA's principles might prove embarrassing in court if an aroused reader cited them to show that same story didn't conform. Still, in 10 years since that action never to have happened, now, the issue is on to capture, by getting the CDNA out of the principles business altogether, that the circumstances never arise.

It is characteristic of people in the news business that they are forever on the side of the public's right to know—so long as the knowing stops short of media affairs. The nature of the disastrous statement of principles might never have come to light had not John Miller, chairman of the school of journalism at Ryerson Polytechnic University in Toronto, spilled the beans. Miller, a former

deputy to the effect that the statement was disastrous because it got responsibilities and liabilities for the association, members and that "is a little beyond logic to me you."

Miller also said the CDNA, as a substitute for keeping the statement of principles, was propense to supply members with summaries for drafting their own codes of behavior—"summaries that make no mention of the importance of accuracy, the need to avoid conflict of interest, the limits of freedom of the press or the importance of balance and fair reporting." He added: "There is little chance any paper will do even this much. Only five of 50 participants at the 1981 managing editor conference said their papers have written codes of practice."

Obviously, there is much to be said for individual newspapers having their own codes of editorial practice and overseeing them; they ultimately are responsible. But it is hard to see how retaining the old principles, even if it's need of revision because of the coming of the Charter of Rights and Freedoms and consequent decisions of the Supreme Court of Canada, would interfere with what any individual paper might want to do in fact, brushed up a little, and their editorate prouised, they could do much to improve the credibility of newspapers as a whole.

Here it is necessary to introduce a personal note. I have been keenly aware of editorial codes of ethics lately, particularly at The Canadian Press, which delivers its news to most Canadian papers. One of its six opinion says, "It must be based on facts that can be proved to be true. An honest opinion based on false information cannot be defended." Another says, "Matters enters promptly, briefly."

In an unavoidable review of my book, *Gorkas!* How the Media Destroy the News, Kirk LaFevere, CP's Ottawa bureau chief, referred to George Bain as a "lame duck journalist." Bain, now the president of a law firm, has not been derived from journalism since mid-1980s. Untracked at some point, then? The evidence of a separation having occurred seemed to lie in his having done a stint as director of the school of journalism at the University of Waterloo in Waterloo. But that had ended nine years before LaFevere wrote. "He now singly observes from afar 'the great failure.' Also, 'Gorkas' is regrettably devoid of 'legwork,' i.e. research, which, if true, escaped the generality of reviewers, including some who warmly disagreed with some of the book's viewpoints."

CP was responsive to my complaints, but it took a long time for anything to happen. Now, three news executives having acknowledged that the review should not have gone out in the form it did, something apparently is being done to acknowledge this loss privately. True, I might have used CP's citing deviations from our own declared editorial principles. Nevertheless, it is difficult to work up sympathy for the idea that CDNA's still-old Statement of Principles somehow puts any newspaper in danger—any danger worse than having to live with any known principles.

Northern Ireland —

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Northern Ireland
Tourist Board

There is a faraway, green land of spectacular beauty...



WHITE ISLAND FIGURES



... where stone fences divide rolling hills of greenery, castles sit high above craggy cliffs, windswept moors open to white, Atlantic sands, and life moves at a leisurely pace. Where an Irish mist hangs low over the verdant landscape giving it a mystical, haunting appearance before lifting to unveil brilliant sunshine highlighting endless fields of sheep.

A small country, a mere 136 kilometres from top to bottom, it whispers of rustic pleasures, historic townsites and outdoor splendors. Studded with reminders of the past — Stone Age tombs, Celtic crosses, even fairy rings, some say — this northern island beckons visitors.

Come, explore rural roads that lead to tiny villages where they still dance the Irish jig, play the fiddle and gossip over Guinness. Come and see the cities where heritage buildings meld with modern day architecture, where the wonders of the past are not forgotten in the bustle of today. Come, be our guest in cozy, seaside inns or elegant, Georgian manors. Come taste the freshness of homegrown fare and freshly caught seafood. Come walk the trails, fish the lochs (lakes), and golf the greens....there has never been a better time to visit Northern Ireland.

BELFAST - THE GATEWAY

The gateway to this small country with a big, friendly heart is Belfast, the capital. Once a city poised to industry, today the metropolis of half a million, puts on a grander face.

Victorian and Edwardian facades have been tidied up to show off elaborate sculptures. There are wide, pleasant pedestrian ways lined with street bussen. Quiet green spaces surround Belfast Castle, set high on a promontory and, even higher, Cave Hill — carved by Neolithic men and known as 'Napoleon's Nose' it gives a glimpse of Belfast's sense of humor as well as a panoramic view of the city.

Two of its finest buildings are City Hall with its Italian marble interior and



copper domes that rises high above the cityscape, and the refurbished, 1895 Opera House elaborate in decor and a favorite with cultural buffs. Queen's University, stately and picturesque, is another cultural hub.

Belfast is a city with a village friendliness — it welcomes strangers and nightowls. Ask a local where to find the 'cosy' (inn) and they'll not only point you to one of the many welcoming pubs, they'll probably join you for a pint. Belfast is a rousing send-off to the best of Northern Ireland.



FREE WHEELING THE ANTRIM COAST

has these verdant glens as the home of mischievous fairies.

Holiday umbrellas along the way — the castle at Glenarm is the home of the Earl of Antrim, Carrick-a-rede is an open air theatre, Winston Churchill and Portrushden's state-mailed church is Ireland's smallest. Cavanagh's pretty Connemara bog overlook a scenic beach.

Soon after the road turns north — where the North Channel meets the Atlantic Ocean — you will be ready for a walk. To reach Carrick-a-rede Rope Bridge, you follow the well-marked path through hillsides spangled with wild roses and daffodils, the bridge spans an 18-meter chasm to a tiny, steeply graded island. Yet for vertigo sufferers as the waves splash 24-meters below, the trip across gives great picture opportunities of the steep cliffsides meeting in a carpet of green and backed by a brilliant blue sky. On a clear day you view the Murl of Kintyre in Scotland.

This stop is a warm-up for the next one — the Gaeltacht Causeway — Northern Ireland's most Remote landscape and one of the world's strangest phenomena. At the ingressive Visitor Centre you will learn that the 40,000 stone columns that



Giant's Causeway

stretch into the sea date back millions of years to volcanic eruptions and cooling lava. However, many prefer the Irish version to the geological one: that the causeway is the work of Finn McCool, the giant Ulster warrior and commander of the king of Ireland's armies. When Finn fell in love with a lady giant on an Hebrides Island, he built this walkway so that she could reach his home.

A UNESCO world heritage site, the



Thousands of columns, mostly hexagonal, form a rugged pathway along the coastline and stretching into the ocean. Adults become playful, clambering over the uneven columns - the tallest are some 12 metres high; others have a wistful, salty look to their black, slick surface. Whether formed by nature's anger or Finn McCool's anger, once experienced, the Giant's Causeway will never be forgotten.

While most of the sights and experiences on this coastal drive - also known as the Causeway Coast - are of a bucolic nature, there is a commercial stop closely that should not be missed. The peaceful town of Bushmills is home to the world's oldest legal whiskey distillery and local whiskey is acknowledged as among the best. A tour can be taken here to see how the famous Blarney has been brewed since 1608 and yes, there is a sampling room!

Back on the road, is another picture moment as the thirteenth century Dunluce Castle is precariously perched on a steep promontory. Legend has it that a "boohoo" (Irish female ghost) sweeps the floors at night.

This is a perfect place to end a day's drive, tuck into fresh seafood and snuggle down at a honey, seaside inn. Tomorrow will disclose other pleasures that Northern Ireland has in store.

A PROUD PAST

The countryside of Northern Ireland holds secrets of the past. Tucked into a corner of a field or an someone's garden are Stone Age tombs; along a quiet road are remnants of a seventeenth-century castle, and 'raths' - early Christian fortresses marked by circular ditches and banks - are liberally spattered throughout

the island overlooking the village of Saul, and each at its presence in the pastoral chancery of Down Cathedral in Downpatrick. The Georgian city of Armagh was dubbed "my sweet hill" by St. Patrick, who, by legend, renamed all snakes from this island. Here in Armagh is where the revered saint built his stone church on the Hill where an Anglican cathedral now stands. Armagh is considered the spiritual capital of Ireland



FERTILE LANDSCAPE



STRANGFORD LOUGH



GORTIN CAIRN



LEGANAGH STONEHenge

the country. Visitors, whether self-driving or on an escorted coach tour, find themselves peering through windows for pictures of the past.

Uniquely Irish religious crosses were put up between the seventh to tenth centuries — one over five metres high can be seen at Ardagh in County Tyrone. Intricately carved, these crosses are works of art as well as ecclesiastical treasures of jewelery.

On Bellaghy Lough, a short drive from the city, stands Carrickfergus Castle. Even now its stone walls and towers look daunting — namely what John de Courcy placed when he started building the massive structure to protect this entrance to Ulster. Well preserved, today visitors can wander its dark dungeons and high towers, even take part in a medieval banquet and, on August 1 each year, enjoy "Lughnasad" a medieval fair, complete with archers, minstrels and minstrels.

FOLLOWING ST. PATRICK

In County Down, one can follow in the footsteps of Ireland's favorite saint. St. Patrick is credited with bringing Christianity to Ireland over 1500 years ago. The 48-kilometer Trail traces a historical, religious route taking in castles and abbeys, the famous statue of

and this ethereal quality can be experienced today with a visit to Navan Fort.

LISTEN TO THE PAST

Archaeologists discovered that a large, wooden structure was built in Navan in the days before Christ. Considered to be a sacred place, all that remains of the original structure is a large mound. Today, a modern building houses an archaeological and mythological visitor centre. Listen! You will hear stories of a pre-Christian belief and the wonder of the Celts. Thanks to technology, visitors are transported along an information highway rich in archaeology and mythology.

HISTORY AT ITS BEST

The city of Londonderry resonates with tales of history. Still known as Derry, a derivative of the Gaelic word 'Doire' which means "place of oak", visitors can walk on top of the sixteenth-century walls and marvel at how the townspeople survived the siege of 1689. Thus, and other tales of Derry, the only completely walled city in Ireland, can be discovered at the Tower Museum where the "The Story of Derry" takes visitors from pre-Christian era to present day.

Perched on the Atlantic edge of

Ulster, Londonderry was the departure point for the thousands of immigrants who sailed off to a new life in North America. A favorite pastime of visitors today is to trace their Ulster roots — even visit an ancestral house.

THANKS TO THE TRUST

The Ulster people are proud of their heritage and much of the historical and natural history is well preserved thanks to

the National Trust, a charitable heritage organization that dates back to 1895. The Trust preserves natural reserves like the Giant's Causeway and the wildlife-abundant Strangford Lough as well as stately houses and well-loved pubs. In Belfast, pop into the Crown Liquor Saloon on Great Victoria Street; it still has gas lighting, fine woodwork, distinctive stained glass and mosaic — cozy, drinking booths.

The magnificent Mount Stewart on the Ards Peninsula is noted for its splendid — and unusual — gardens, the delight of the Lady of Londonderry, wife of the seventh Marquess. Cascades of greenery, amazing topiary art and profusions of flowers along with stone statues of gaffaws, discosaurs and monkeys make this garden unique. A delightful, political house, she gave her grandest gift names Winston Churchill for example, was "Winston the Warlock". For many, the eighteenth-century country house is the highlight of any tour.

MADE BY ULSTER

Shipbuilding, linen, whiskey, pottery, woolens... the products and crafts of Northern Ireland are the result of age-old traditions and superbly honed skills. This small country also boasts with industrial

part is a big one. Summer months, in particular, are jam-packed with exciting events. Canadians with Irish roots will be enamored with the 'Tess as witness' held in Garvagh, June 23-25, it celebrates Irish dancing, music, poetry, crafts and sports. If you have never seen Gaelic games, this is your chance. Ballycastle's 'Orf Luanas Fair' in late August is the oldest country fair it originated in 1606 and September 23, 'Aspects' unites Ireland's finest poets, novelists and playwrights in a five-day celebration of their work.

These and many other events highlight the year-long cultural feast of talents.

FOOD AND ACCOMMODATION

A TASTE OF ULSTER

Melt-in-your-mouth sausages, rich cream, lacrosse lamb, succulent salmon, and have you tried soda bread smothered with Marmite honey? The culinary treats of Ulster are fresh and varied.

Start your day with an Ulster fry — a breakfast to please even the largest appetite. Bacon, eggs, fried potato hash, black pudding and, surprise, some offal served, to keep you healthy.

A feast of oysters — served the same day they are plucked from Strangford's clear waters — washed down with Guinness is a perfect pub snack. Only trouble is, you'll want more.

A hearty dinner combines Irish stew rich



THE HOUSE, ACHADOWEY

to pretty, rustic cottages, and they are reasonably priced.

Self-catering — leasing or renting — is a popular way to go as family-oriented cabins, houses in deer parks, or cottages on islands are all possibilities. Northern Ireland has a good variety of hotels which, of course, today welcome travellers of every age.

There are also many cozy bed-and-breakfast stays, which lend themselves to a casual holiday atmosphere. And there's no need to book weeks ahead. Northern Ireland offers a laid-back holiday atmosphere and planning your itinerary day by day, is logical and easily arranged. Check the handy accommodation guide at Northern Ireland Tourist Board.

Written by Jethi deen

GETTING THERE

It's much easier to get to Northern Ireland than you think. Air Canada, British Airways and Canadian Airlines International offer early morning services to Belfast International via London.

During the peak season (May - October) there are also direct flights available from both Toronto and Vancouver to Belfast. The following summer offer direct charter flights to Belfast. Air Canada Holidays, Conquest Tours, Budget Holidays, Budget Vacations and Sephora Holidays.

For further information and details contact your local travel agent.

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PEOPLE

SUPPORTING ROLES

Working in a cast of beautiful women on the Fox TV show *Models Inc.*, is not what some viewers might imagine, says actress Carrie-Anne Moss. "This is one of the most supportive places I have ever worked," says the Vancouver-born Moss, who works with such glamorous co-stars as Linda Gray, Kylie Travis, and Cassidy Rae on the nighttime soap opera, a spin-off of the highly popular *Melrose Place*. "These women are great." Moss, who portrays Come-Spicer, an a-lay-it-over-the-hill-at-27 model on the show, highlights off-screen-type of backstabbing, caffy and competitive women on the set. "That stuff might be in the script, but afterwards, we look out for one another," she adds. "It's not a *Thelma and Louise* thing, but we are proof that women can be buddies."

Moss: "Women can be buddies"



SET IN SHOT at the Grammys: Living on in late-night arenas

FUNNY EVER MORE

It has been nearly 20 years since *ACT* first went on the air, but early last week David Thewlis, Catherine O'Hara, Andrea Martin, Martin Short, Tony Rosato, Eugene Levy and Joe Flaherty gathered in Toronto to receive a special Gemini Award honoring their work. Nationally absent were Rick Moranis, who was in Vancouver filming a movie, and John Candy, who died a year ago. But on March 29, *ACT* will broadcast *To John and Louise*, a one-hour tribute to Candy, with Andrea Martin who assembled the original cast troupe in 1976, as an executive producer. And the show will air on in memory. Candy has acquired the distinction of being one of *ACT*'s full-time regulars, which the network plans to broadcast after Saturday Night Live. Says Alexander, now the *Chicago*-based president of Second City Entertainment: "The irony is that I liked the first few *ACT* episodes so much to Saturday Night Live, which had scooped away Dan Aykroyd and Gilda Radner."



THINKING GLOBALLY

For a 16-year-old growing up in the center of the contaminated United States, jazz is full of music. His influences include Antonio Carlos Jobim and Mikis Theodorakis, but where McReynolds heard for 16 years, his musical career—which includes 30 albums and six CDs—began in Los Angeles, Calif., and south of Kansas City. "The day my brother Mike bought home that first Miles Davis record was the day my life changed," McReynolds, 46, and last week while in Toronto as part of a North American concert tour to promote his latest cd, *We Live Here*. But while he had to struggle in the 1980s to learn about different cultures and music, young North Americans today are exposed to artists from around the globe whose music is performed on radio and television stations. But McReynolds says he dislikes the popular term "world music" that is applied to music as diverse as that from Africa and China. He adds, "It's very weird for us to say, 'There is our music and then there is everybody else.'"

McReynolds: diverse influences



ALL IN THE FAMILY

When novelist Carol Shields wanted a collaborator for her new play, she turned to her daughter, Catherine. Shields' Appropriately enough, Prairie Power Guest and the Cherry of Families, which opened last week at Prairie Theatre Exchange in Winnipeg, is about family ties. Having enlisted occasional lung power for her daughter for two previous plays, *Thirteen Murders* and *Annals and Departures*, Carol, 58, and Catherine, 33, were eager to try working together on a play from the ground up. "We've always talked about everything, so this play just grew out of what we were talking about," said Carol. It was a unique teamwork, with each woman independently writing different

schemes, then comparing notes. And while it could have been daunting to work with the author of the award-winning *The Stone Diaries*, Catherine, a full-time librarian with the Winnipeg Art Gallery, with little writing experience, says her friendship with her mother was never strained. Carol agrees, noting that writing with a partner can be a tonic. "You can go in different directions that might not be your own."



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Maclean's and the 20th century

A look back at Canada in the 1920s as part of a retrospective series marking the magazine's 90th anniversary

The Great War was over and an economic boom gripped the country. Canadians flocked to the nation's cities, where high-paying factory jobs allowed them to purchase homes and houses. They basked in the worldwide adulation that Toronto scholars Frederick Banting and Charles Best received following their discovery of insulin. And they thrived in the explosion of everyday bustiness. Wilfrid (Wop) May and Glegg (Dunc) Dickson, who flew far into the north where no southerners had ever set foot, lit Ottawa, a new Liberal Prime Minister named William Lyon Mackenzie King stepped onto the political stage. He would take into the nation's growing confidence to sign Canada's first foreign treaty and to pull the country from the dominance of the British Empire. Says University of Toronto historian Robert Bothwell co-author of *Canada 1900-1945*: "It was a decade of cultural liberation and freedom."

In 1920, dwarfed, half of Canada's one million people were living in cities, where support for such previously reined ideas as welfare and unemployment insurance was gathering strength. At the same time, the country was being transformed by our remarkable new form of technology: the automobile and the radio. By 1925, more than one million cars had been sold across the country, and only the United States was exporting more vehicles than Canada. While the car and the network of roads that had sprung up to serve it, made physical isolation, the radio allowed Canadians to instantly learn more about themselves. The Canadian National Railway launched the first nationwide radio network in 1922. And on March 23, 1923, Toronto Star reporter Foster Hewitt broadcast the first National Hockey League game in what would soon become a Saturday night ritual. "Remember putting our first radio together with my brother," says W. O. Mitchell (of *Mitchell's*) recently. "We thought it was fantastic."

Canadian women, who helped build the military equipment that led to victory in the Great War, were at the forefront of the changes that swept through the decade. In July 1920, they gained the right to vote and run for office. And a year later, Agnes Macphail, a 31-year-old teacher from Hamilton, was elected to the House of Commons as a Progressive. At the same time, the folk songs of the pre-war period were replaced by short, snappy tunes in the new "shape" style. Women of the Twenties looked like this, added makeup and donned silk stockings. According to Toronto author Sylvia Fraser, the rise of the flapper was a clear signal that women were not going to quietly return to their kitchens. "Women had proved themselves to be useful during the War," says Fraser. "Now they wanted something more."

Maclean's magazine, established in 1905, was destined to rule the 1920s boom. Circulation almost doubled from an average of 25,000 an



King, and
Boppers



woman in 1925 to 104,000 in 1930. In 1928, Maclean's appointed Arthur Irvin as associate editor, and he set out to explain the country to its citizens. He ran articles on such things as the semi-operative grain companies in the west, as well as the many issues of bootlegging. Many Canadians were shipping abroad to the United States, where oil had been banned under Prohibition. Wrote an article in *Maclean's* in 1929: "Public opinion tolerates the bootleg racket, the bootleg moon from the bar."

The issues that preoccupied Maclean's readers in the 1920s were strikingly similar to those of the current day. In fact, in 1929, a lead article decried the spread of American culture through U.S. school textbooks that were being sold across Canada. And the national debt, which stood at \$2.4 billion in 1926, was a source of heated debate among Canadians. Maclean's quoted King on the debt issue as a stance that could have easily come from Finance Minister Paul Martin's recent budget. Said King: "No government, except as it pays off this paper, can finance the taxation involved in its program."

Perhaps no war was better suited to King to lead Canada into the modern age. Educated at the University of Toronto, King was a Harvard, King chose to specialize in the largely unknown field of industrial relations. John D. Rockefeller Jr. invited him in 1912 to meet the rest of a visiting star at a coal mine in Colorado. King later took up his work in labour relations at the 1919 Liberal convention when he proposed that the party adopt a platform plan that excluded health insurance and old age pensions. King's reformist agenda and his pragmatic approach to politics would prove formidably

The Twenties— a decade of boom and confidence

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► Boarding a streetcar in Toronto in motion on the snow

and helped elect him prime minister in December, 1921, and kept him in office for 22 of the next 27 years. While historians W. L. Morton in *The Canadian* "A highly learned sociologist and a commanding cold orator, King was extraordinarily well equipped to lead a countrymen moving in an uncertain world."

The political landscape that King inherited however has not changed much in 85 years. The Conservatives retained 50 MPs in Ottawa, and the Liberals 117. But a new protest party, the Progressives, elected 63 MPs. The Progressives were deeply angered by the Conservatives' decision to cancel the Crown's Nest Park railway freight subsidy, and to abolish the Wheat Board, which had been protecting prairie grain. And in Quebec, where nationalizations were beginning to spread, Liberal MPs were elected in all 10 ridings in the province.

Despite the divisive nature of Parliament in the 1890s, King was still able to build on the growing sense of pride that Canadians had in their country. In 1923, he signed Canada's first foreign agreement, the Reciprocity Treaty with the United States. In 1926, Victoria Manley, a Liberal millionaire from Toronto, became the first Canadian representative in Washington. And consequently, at least, Canada became a nation two years after the decade ended, on Dec. 12, 1927, when the Statute of Westminster was passed.

Throughout the decade, the British government gave up the right to review or alter Canadian laws, and Canada began to appoint its own diplomats. Said historian Belgrave: "Westminister was an outward expression of Canadian nationalism and responsibility."

Still, the Roaring Twenties were destined to end in despair. Throughout the decade, stock exchange averages in New York and Toronto soared by more than 300 per cent. On the Black Friday, Oct. 29, 1929, investors panicked and the stock markets collapsed, wiping out the wealth of banks and borrowing companies and households. Maclean's business writer Archibald Blair had predicted the housing debacle. And following the collapse he wrote: "Tens of thousands of people had suffered financial ruin, hence, despair, crushed hopes and blighted ambitions." A decade of promise was over, and the 18 lost years of the Great Depression loomed.

TONY FENNELL

A SATIRICAL LEGEND

The economist and humorist Stephen Leacock was a frequent contributor to Maclean's in the 1920s. His trademark satirical style was on display in the issue of Jan. 1, 1922, as he subtly skewered the Temperance movement, then in ascendancy in Canada. In a satirical letter to a friend from London, he compared up the spectacles of prohibition being legislated at drytime. An extract:

"With you could have witnessed the scene, just like when we saw it in Europe—Canada, where it was known that the bill had passed. The members of the House of Lords all stood up in their seats and yelled: 'Heil! Heil! Heil! What's the date? What's the date?' I can't tell you what pleasure I watched a group of members of the American Club sitting on the bank of the Thames and opening bottles of sherrywine and pouring them into the river. 'To think,' said one of them to me, 'there was a time when I used to like a couple of glasses of this terrible stuff every evening. But it's over now.' In fact, 'Hello!' And he hoisted a quart of Murray's Extra Dry wine out into the Thames. I got him to give me a few bottles as a souvenir, and I got some more souvenirs, whisky and liqueurs, when the members of the Bowfink Club were emptying out their cellars onto Green Street."

We have, as I said, been bone-dry only a month, and yet suddenly we are getting the same sporadic results as in Canada. You remember what the London dairies and bakers used to be like—the uproarious speeches and laughter, and all that. Well, that's entirely changed. All the big dairies now are as refined and as elevating and the dinner speeches as long and informative as they are in Toronto or New York. The other night, at a dinner at the Whistlers Club, I heard Sir Owen Seaman speaking, not in that light, full-throated way that he used to, but quite differently. He talked for an hour and a half on the state ownership of the Chinese railway system, and I almost thought myself back in Toronto or Edmonton."

Much more remarkable at the very effervescent increase in affluence. A member of the House of Commons said that he found himself at least forty per cent more affluent than he was, before the great change, he was, before the great change, he was, before the great change, he was,

used, he said, always to take a gill of sherry before he went to the House—either a gill or a gallon, he never knew. Now, he simply goes to the soda water fountain that they have opened in Parliament Square, and drinks a pint of orange phosphate. He can speak longer and louder better and understand almost all of what is going on round him. And the young clerks, too, it is just wonderful how prolific has appeared there lately. In the old days, you could drop them in the moment the hour struck. Now, they simply refuse to. I noticed yesterday a foreman in charge of a building vanity trying to tell the bricklayers down, "Come, come,



► Leacock spilling champagne

gentlemen," he shouted. "I must insist on your stopping for the night." But they just went on laying bricks faster than ever.

Of course, as you see there are a few slight difficulties and deficiencies just like there are with us in Canada. We have had the same trouble with wood alcohol [they call it methylated spirits here] with the same deleterious effects. On some days, the law of gravity is very serious and in some cases we are losing men that we can hardly replace. A great many of our leading actors, in fact most of them, are dead. And there has been a heavy loss, too, among the literary classes and the legal profession. Some of our best actors are gone and it is very difficult to keep replacements. But I have tried to explain to the people here that these are merely the things that one must expect, and that with a little patience they will have bone-dry admins and bone-dry statesmen just as good as the wet ones. Even the clergy can be dried up with friendliness and perseverance."

Campus cross fire

Controversy dogs a president's reappointment

For 8:15 a.m. on a sober Saturday in January, the formal was impressive: 35 angry faculty, staff and students gathered outside a new commerce building on the Mount Allison University campus. Inside, something equally rotted they was under way—a vote by the board of regents on whether to appoint Ian Newbold to a second five-year term as president of the tiny liberal arts school in Sackville, N.B. There was no mistaking the protestant posture. Please postpone, requesting Ian Newbold until an open review process has taken place," read the flyer handed to each board member entering the building. "Let the voting begin!" But it soon became clear that the issue for boarders was not at hand. Instead, after a short discussion, the board members voted 20 to 4 to re-elect Newbold, the first Mount Allison president in almost three decades to be given a second term.

Tenacity—almost always in the face of controversy—is now become a Newbold hallmark. Every where he turns these days, the former University of Lethbridge, Alta., historian is surrounded by critics. Days before the Jan. 24 vote, Mount A. faculty voted 82 to 9 against the reappointment. That spot-on act of protest reflected a similar 21 to 4 vote by the student council. The logic of the discontent insists that the anger is over comes to slash a debt load that has threatened the viability of the 122-year-old university. But others maintain that Newbold's hard-nosed management style has turned a battle against debt into an all-out crusade. Says Purdy Crawford, chairman of Montreal-based Imacon Ltd. and chancellor of the university: "My job is to be a catalyst to heal some of these wounds."

That will take some doing. Small and inscrutable with a string of Rhodes Scholars in its ranks, Mount Allison has lagged the last of primarily undergraduate institutions in the past three Marconi's university rankings. Still, when Newbold took over as president in 1981, he inherited a financial mess: a \$50-million debt plus an annual deficit of \$3 million. "We were a corporation," Newbold



Newbold: "If we were a corporation, we would have been in receivership."

said last week, "we would have been in receivership." His mandate from the board of regents was to put finance in order without sacrificing the school's teaching environment. No one doubts that the part of the equation has been achieved. Three years of cutbacks—including the amalgamation of

clashed repeatedly with those affected by the belt-tightening. In 1990, Mount Allison enshaded a bitter, often personalized strike by faculty angry at demands for concessions on wages and retirement conditions. And last year, suggest most mounted their own 48-day strike after Newbold insisted they give up a range of benefits and job security measures. Both disputes reverberated throughout Sackville, population 5,400, a town where almost everyone either works at the university or is related to someone who does.

Through it all, Newbold has remained unrepentant. Ultimately, he maintains, professors are simply expressing frustration over an inevitable loss of clout that has accompanied harsher economic times. "Throughout the '80s and '90s, faculty members have held the preponderance of power," he explains. "Now, they are finding that the authority lies with those who provide the funding."

The way many say the president has jettisoned that philosophy two for Colgate—over the bottleneck of decision-making on campus—is and by far the faculty members to feel it. "It is not a healthy situation when he does, but doesn't do it," says psychology professor Christine Stoen. "He has a very commanding style, and it can be overwhelming—especially about having no say in many matters—including a decision later earlier than you want to turn the largest and oldest academic residence into a co-ed dorm." University trustees are supposed to be confused to two eyes," says student council president David Seaward. "We feel like the administration is running things in a closed, unaccountable manner."

The spring surrounding Newbold's reappointment has certainly reinforced that perception. Both faculty and students voted for a cap on the review process when they learned the matter was on the agenda for the board of regents meeting. Their anger boiled over when it became clear that the vote would be taken behind closed doors—a decision that some board members, speaking to Maclean's, now acknowledge may have been a mistake. With Newbold securely in place for another few years, the school's campus appears to be older than ever. According to the president, the key to maintaining academic excellence is to get aside petty conflicts. For gods' sake! Fighting, some in the case seem to agree. "We just have to pull together," says Rob Barley, a recently retired chemistry professor who taught at Mount Allison for 40 years, "and we'll get beyond it." Sure words—but only if both sides are really willing.

JOHN DAWKINS is a Sackville

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Nuclear mausoleums

Two scientists fear that buried radioactive fuel might explode

BY MARK NICHOLS

Ever since the nuclear power industry was born during the late 1950s, scientists have debated the thorny question of how to end all of the dangerous radioactive byproducts that the electricity-generating plants produce. Proposed solutions have included shooting nuclear waste into space or burying it under ocean floors. But most industrialized nations have concluded the deep underground storage is the answer. Over thousands of years, proponents of the idea claim, buried nuclear waste would gradually lose its radioactive sting while passing little risk to the environment. Now, physicists at the U.S. National Laboratory in Los Alamos, N.M., have challenged those comfortable assumptions by suggesting that, in certain circumstances radioactive waste leaking from corroded containers could begin a fissure process, which over time might cause small-scale nuclear explosions. The theory, which became public last week, untilled a bitter controversy inside the highly regarded Los Alamos laboratory and prompted antinuclear campaigners with new accusations at a time when both Canada and the United States are considering proposals to begin storing nuclear waste in subsurface vaults.

Some environmentalists speculated that the controversial theory could doom Washington's plan—formerly opposed by the state of Nevada—to start buying nuclear waste under Yucca Mountain, 180 km northeast of Las Vegas, by the year 2010. In Canada, where the federally run Atomic Energy of Canada Ltd is currently trying to drum up support for a proposal to bury nuclear waste at a yet-to-be-chosen site, officials insisted that in the proposed Canadian storage system there was virtually no risk of underground nuclear blast. Declared Ken Madson, director of AEC's waste management program: "Our decision isn't any way it could happen."

But many environmentalists said that the nuclear blast theory only served to publicize

some of the many dangers associated with underground storage, including the risk of radioactive waste leaking into the water table and thus endangering the environment and human lives for generations to come. "Over a period of thousands of years," said Steve Shukla, a Toronto-based spokesman for Greenpeace Canada, "the risk of leakage and explosion is far too high."

The alarming notion that buried waste might be capable of causing underground nuclear blasts first was raised at Los Alamos last year. Charles Bowman and Francesco Venneri started with the assumption—that the nuclear explosion theory was so seriously refuted with scientific errors that it simply could not be valid. "I feel personally embarrassed," said Jim Merritt Smith, leader of Los Alamos's thermonuclear weapons design team, "because the theory is going to make people think we at Los Alamos are at fault."

The controversial theory was another blow to the Yucca Mountain storage plan which is already under severe attack by the state of Nevada. Public opinion polls have shown that about 80 per cent of Nevadans oppose the plan, and the state's Democratic Party administration has vowed to take Washington to court rather than see nuclear waste stored under the mountain. "There are no nuclear reactors in Nevada," says Robert Lucas, executive director of the Nevada Agency for Nuclear Projects, "and we regard the idea of being used as a disposal site for an industry based elsewhere in the country." Moreover, environmentalists and other critics point out that a history of volcanic and earthquake activity in the arid eastern Yucca Mountain is poor choice for a nuclear waste site. "Washington has consistently attempted to show research results to make the site look unsafe," says Lucas. "Nevada is simply not going to stand for this. There is no trust here in the federal government."

Bowman's theory could also add to public concern over the idea of buying nuclear waste



Burial of spent nuclear fuel rods: controversy

says an alternative system in which particle accelerators would be used to transmute radioactive waste into safer materials. Other Los Alamos scientists insisted that the nuclear explosion theory was so seriously refuted with scientific errors that it simply could not be valid. "I feel personally embarrassed," said Jim Merritt Smith, leader of Los Alamos's thermonuclear weapons design team, "because the theory is going to make people think we at Los Alamos are at fault."

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Bowman's theory could also add to public concern over the idea of buying nuclear waste

BURIAL BENEATH THE SHIELD

In a proposed classical scheme, underground nuclear waste chambers would be carved from granite inside the Canadian Shield. Main tunnels would provide access to smaller vaults, where canisters could be stored in vertical boreholes and surrounded by protective material. Eventually, the nuclear mausoleum would be sealed with concrete and earth.

deep within the Canadian Shield—the matrix of ancient rock that covers most of the continent and several Canadian provinces. Agreed to previously but not finalized last November by AECI and Ontario Hydro, the publicly owned provincial utility that operates 20 of Canada's 22 power-generating Candu reactors, officials say in the wake of a cross-country tour aimed at making Canadians aware of the underground storage plan of the eastern Yucca Mountain site. "Washington has consistently attempted to show research results to make the site look unsafe," says Lucas. "Nevada is simply not going to stand for this. There is no trust here in the federal government."

In the local granite about 12 km north of Pinawa are extensive drilling techniques and evaluation materials that can best protect radioactive waste.

According to Durrant, the exhaustive research he and his AECI colleagues conducted over the past decade—on the heat—and seismic—resistance of the rock—showed that the shield could end up as a safe, deep deposit that could extend to more than 3,000 feet below the Earth's surface. Nuclear waste encased in a titanium or copper canister would be surrounded by buffer materials such as a clay and sand mixture. They then could be entrenched in vertical boreholes just beneath the floor of the chambers. Once a series of

the underground repository was filled with canisters, ceramic and earth backfill would be used to seal the chambers. Backers of the plan say that the Canadian system is superior to the U.S. plan because most in the Canadian Shield is less fractured and less porous than the Yucca Mountain formation—making it harder for radioactive waste to escape—and the storage canisters stay dormant. "We come to the conclusion that disposal of nuclear waste in the Canadian Shield would be safe. The risk is very small."

A full-scale study of the Canadian plan, including public hearings, is expected to be launched later this year, early in 1986 by the federal Environmental Assessment Agency. Only if Ottawa approves would a search for likely sites in the Canadian Shield be launched—and that process, say AECI officials, could take another 20 years. Under that timetable, officials say that underground storage in Canada could not begin until the year 2005—or the earliest.

While the AECI plan is designed to deal only with nuclear waste generated by Canadian nuclear power plants—about 16,500 tons/year have been produced so far—some environmentalists suspect that Ottawa may have other reactors in mind. While the York Mountain repository is designed for the storage of commercially generated nuclear waste, Washington is faced with the problem of disposing of at least 35 tons of weapons-grade plutonium left over from the Cold War. Last year, AECI suggested that, for a site, Canada's CANX reactors could safely dispose of the plutonium by burning it as fuel. That suggestion, which is being studied by the U.S. energy department, enraged environmentalists who pointed to the barrels involved in transporting highly radioactive plutonium around the country. And some environmentalists fear that Ottawa might someday be pressured into storing U.S. nuclear waste in the Canadian Shield. Says Greenpeace's Shukla: "I think Canada might be a little bit of a wise boy now in its willingness to take other people's nuclear waste."

But capturing oilfield around Bowman's theory, nuclear experts and pragmatists agreed that it had merit at least one valid point in considering any plan for under-ground nuclear waste disposal: the issue of safety—the point at which a fissile material must start a chain reaction—must be considered. AECI officials assert that the issue has been studied extensively—and that the risk of nuclear reactions or explosions in a waste of the type proposed AECI to propose a storage system that would be one of the least—safer—in the world. In the proposed system, a network of tunnels and storage chambers would be carved out of solid rock, deep down, that could extend to more than 3,000 feet below the Earth's surface. Nuclear waste encased in a titanium or copper canister would be surrounded by buffer materials such as a clay and sand mixture. They then could be entrenched in vertical boreholes just beneath the floor of the chambers. Once a series of

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SURFING THE NET

As unimaginable as it may sound, there may still be Canadians who have never even heard about the Internet. But their numbers must surely be dwindling, for the simple reason that the only thing that is expanding faster than the Internet itself is the sheer volume of cyberspace type. Beyond the fervor of publicity, however, what is the Internet and why should anyone care? And how do people connect to the Internet if you can't discover it themselves or anyone else?

First, some background. The term being an oxymoron, the Internet has been around in one form or another for the past 25 years. It started out as a U.S. military project to connect various computer networks around the globe and to ensure a continual connection to each other. Over the years, scientists, governments, universities, small business companies, hobbyists have merged—so to speak—and the Internet now links more than 10 million computer users worldwide, each of whom can visit the vast deposits of knowledge available from other people and other computers.

In Canada, hundreds of thousands of people of all ages and walks of life already "surf the Net." (For some unfathomable reason, it is almost impossible to discuss any aspect of the Internet without lapsing into metaphor.) At the moment, "surfing," "crashing" and "boozing" are among the most popular terms, the overused phrase "information highway" is now only used by novices. I "We only been on it for a few months but it's great."—He saved a fair bit on my long-distance bill," said Krystle Blaschke, Carleton University student in Ottawa who also uses the Net to exchange e-mail (electronic messages) with her parents home in Massachusetts. Q.E.D.

Starting from scratch, a beginner can usually link to the Internet for less than \$2,000—but that by supposedly shooting its bolts. That includes buying a computer, the basic software and a modem that can be plugged into the nearest telephone line to send and receive data. At that point, there are a number of options. An easy starting point is to join one of the many popular consumer services such as CompuServe, America Online, Prodigy, Delphi or Apple's EWorld. Each charge a monthly access fee, usually less than half the cost of a regular cable TV bill. Members are typically entitled to a fixed number of free hours; additional use is charged on a per-hour basis. Or the service might offer unlimited access in a range of fee structures, with extra fees charged for special services.

For now, most of the large commercial on-line net-

works offer only limited access to the wide range of services on the Internet. On the plus side, each provides members with a user-friendly environment and a clean graphic interface that helps the user navigate with ease. A click of a mouse button gives access to libraries of information, current stock quotes, photo rooms and e-mail—over forty different services to pick up online. And the giant Microsoft Corp. will soon have its own on-line service. The company's goal is to bring up many of the 60 million computers worldwide into the Internet by providing a service module to size the Internet for.

Another more ambitious alternative is to sign up with a commercial service that provides direct access to the Internet. In the past year, many have popped up to meet the growing demand for on-line access. Commercial services are based on an increasing number of Canadian universities and generally provide customers with excellent support and complete Internet access for between \$20 and \$50 per month, which includes a specified amount of connect time. What is not expensive, try the FreeNet approach—free on-line access without all of the bells and whistles, run by volunteers who volunteer on grants, donations and sponsorships. Offering a strong sense of community and links to similar services around the world, FreeNets are up and running in a growing number of communities including Toronto, Halifax, Edmonton, Vancouver, Winnipeg and Whistler, B.C. The National Capital FreeNet, with nearly 40,000 members, is Canada's largest. On the downside, FreeNets usually offer only restricted access to some Internet services and are often so popular that users who attempt to dial up get only a busy signal.

Whether you opt for a commercial access provider or a FreeNet, the process of getting on to the Internet is similar you dial the service's computer (preferably using a local number), to avoid long-distance charges, log on with your password and then choose the feature you want to use. Examples:

- Usenet is by far the most popular. As soon as you register with an access provider, an e-mail address is allocated to you. With it, you can send messages to any off-line Internet user around the world, regardless of distance, location or time of day you put up only for connect time. Messages are in text form, though eventually e-mail will also have audio and video capabilities.
- Usenet, the global discussion centre. If the mind can imagine it, then Usenet is where it is discussed there are currently more than 20,000 individual "newsgroups"

magazines from revolving and sun polite to all we pedophile. Because the system is anarchic and decentralized, visitors here will find the very best and the very worst elements of the Internet. Each Usenet newsgroup contains a file called Frequently Asked Questions. It contains everything about that particular news group.

■ The World Wide Web. Perhaps the most exciting destination on the Internet, the Web is an ever-expanding network of documents called "hypertexts" which are accessed using software packages known as "web browsers." Web hypertexts can contain text, graphics, sound and even video. Just about any Internet user can have his or her own homepage and because of that, the Web is continually being added as new homepage and new links are created. You can download pictures from the Louvre, listen about an upcoming NASA expedition or watch a video by an unobserved Vancouver grunge band.

■ Telnet allows users to connect their computers to other computers at a distance via a local server and then Telnet to the Chebucto Freenet in Halifax without incurring long-distance charges. You can also Telnet into government databases, weather services and various BBSes around the world, then switch for files that can be retrieved, displayed and then downloaded.

Even for those who do not own a computer, the global reach of the Internet is still accessible. In many public libraries and terminals, terminals are available to the public. An other option is to visit one of the many new computer-equipped coffee houses now opening in Ottawa, Toronto and Vancouver.

Like any new technology, the Internet has its champions and its detractors. Some want to define and control it. Others see it as the last bastion of free thought and unconstrained expression.

Either way, the Internet seems to be here to stay. "I thought the Net would go the way of CB radios, but now I think it's just great," said Toronto Sex activist Tim Pichette. "It creates a sense of community." Pichette has a web page titled "sex.com" — "howto."

To use the vernacular—but already in widespread use with fax and other communications as far away as Texas and California. Thanks to the Internet, the world is at its fingertips.

PIERRE BOUJQUET



Backpack

Heart alert

When Gladys Gagné visited a hospital emergency room complaining of chest pain one night two years ago, a doctor told her she was probably just experiencing a anxiety attack. "It didn't make sense," recalls Gagné, who had spent the evening reading at a concert. "I didn't feel in a panic, and the pain was so intense." Nevertheless, she followed the doctor's advice, went home and took a painkiller. Four days later, the pain recurred. This time, an ambulance rushed the 55-year-old community worker to the hospital—where a blood test revealed that she had suffered a heart attack. Gagné, who now lives near Timmins, Ont., with her husband and teenage daughter, knew that her high cholesterol levels, excess weight and family history of coronary problems made her vulnerable to heart attack. But neither she nor her doctor ever expected it would strike at such an early age.

Says Gagné, "I had a fine sense of security."

So do many women. Although public awareness of the risk of heart attack among women is increasing, most women still believe it can't never happen to them. "It's seen as men's disease," says Dr. Lorreta Dusad, a cardiologist at The Toronto Hospital and an adviser to the Heart and Stroke Foundation. A recent survey by the foundation, for example, found that 86 per cent of women viewed breast cancer as the main threat to their health. In reality, heart disease and strokes are the major cause of death among Canadian women—killing eight times as many as breast cancer. Despite that, many physicians were trained to look for heart disease primarily among men. "When we think of a typical patient," says Daniel, "we think of a man."

According to Statistics Canada, heart disease afflicts both sexes in roughly



■ Mackleborough with patient—now free from public consciousness

equal numbers—exceeding 43 per cent of female deaths and 37 per cent of male deaths in Canada at 1992, the most recent year for which figures are available. But there are important gender differences in heart disease. Typically, men develop heart problems in their 40s, a variety of risk factors, including hypertension, diabetes and smoking, cause some women such as Gagné to suffer heart attacks in middle age. But most women—particularly until menopause—are female hormone estrogen, which helps to control cholesterol levels—remain healthy hearts at least 10 to 15 years longer than men. That is part of the reason for bias, says Dr. David Marti, head of cardiology at the New Brunswick Heart Centre in Saint John. "We tended to focus on 40- and 50-year-old men because in 40- and 50-year-old women, the evidence of heart disease is very low."

In addition, women who experience heart disease often have different symptoms than men. Women frequently do not experience the stereotypical warning signal of heart disease—the tightness or radiating chest pain known as angina. Instead, for reasons that are not fully understood, they often display more subtle symptoms that are less likely to be diagnosed. Angina pectoris, which involve the injection of a rapid radioactive tracer, are much more accurate, she noted, but in a small number of cases the test itself can

mask of breath, or feelings of nausea and indigestion. Because these symptoms are vaguely defined, women may delay seeking medical attention—a fact that could partly explain why women who suffer heart attacks are twice as likely as men to die. "The longer you wait before you go to the hospital," says Marti, "the greater your chance of dying."

Another problem is that one of the most common diagnostic procedures for heart disease, the exercise test, is less reliable for female patients than for males. In part, that is because breast tissue over the heart

triggers a heart attack. "There is potential for damage," says Kinnear-Grey, "so we tend to close our feet on that."

According to the Heart and Stroke Foundation, some doctors have also been reluctant to order tests for female patients because studies have suggested that women suffered more complications after such procedures. But Toronto cardiac surgeon Dr. Lydia Mackleborough says that the latest research, taking age and other factors into account, appears to dispel that belief.

It could take years for researchers to answer other crucial questions about heart disease in women. Menstruation, decisions about women to try to become more aware of the symptoms and, should they occur, seek prompt medical attention. "Women tend to be more aggressive in seeking attention, getting to a hospital earlier and wanting bypass surgery and angioplasty if it is needed," says Dusad, adding that female patients often decline such treatment if it means an extended stay in hospital. "They ask, 'Who's going to look after my family, my husband, my house?'" Gagné, who has switched to a healthier diet and a more active lifestyle, agrees. "Women should treat their symptoms the same way they would treat their husbands' symptoms." As Gagné knows from experience, taking that advice to heart can mean a longer life.

SHARON DOYLE DREIDINGER

Research shows that women suffer coronary problems as often as men

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Calendar

A roundup of spring events, from classical concerts to Inuit games

BRITISH COLUMBIA

March 18-19 Vancouver 1865-1975, Vancouver Art Gallery. A major retrospective of a decade of innovative art by local and international artists.

March 18-19 A Celebration of Seeds, Crystal Gardens, Victoria. A plant lover's交会, with exotic gardening displays, native plant exhibits and a seed exchange.

March 18-27 The Pirates of Penzance, Queen Elizabeth Theatre, Vancouver. The Vancouver Opera Company stages the Gilbert and Sullivan classic.

March 20-29 18 Empires Beyond the Great Wall: The Heritage of Genghis Khan, Royal British Columbia Museum, Victoria. More than 200 artifacts from the People's Republic of China illustrate 2,500 years of Inner Mongolian history and culture.

ALBERTA

March 25-April 17 Spring in the Rockies, Provincial Museum of Alberta, Edmonton. A cultural reenactment of a medieval town fair. Visitors can try an arrow, joust, jiblio tournaments and just a general "feast."

April 2-13 Homage to Mendel, Calgary Philharmonic Orchestra at Jack Singer Concert Hall, Calgary. A concert featuring the celebrated Royal Pianists, and the choral works *Tu Devrai et Jubile*.

SASKATCHEWAN

March 18-19 Saskatchewan Optometric Board and Voce Jazz Festival, Centennial Theatre, Regina. More than 600 musicians converge for the city's 14th annual showcase of big band and Dixieland jazz.

April 16-18 Western Canada International Powwow, Regina. A celebration of native crafts and food.

MANITOBA

March 19-20 Taishasik In Concert, Centennial Concert Hall, Winnipeg. The renowned peacock-instrument orchestra performs Handel's *Water Music*, Bach's Concerto for Two Violins in D-minor and Purcell's *Upon the Theater Scene*.

March 20-April 18 Through the Eyes of a Child, Winnipeg Art Gallery. A display of Indigenous art by 700 Winnipeg-area children.

ONTARIO

To April 27 Maple Syrup Days, Complicebille. The annual event features home-baked sides to the sugar bush and displays of pioneer syrup production.

March 25-26, April 1-2 Whistler Festival, Prinse's Provincial Park, near Tofino. Visitors to the park can expect to see up to 25 species of migrating ducks, geese and swans from special platforms equipped with viewing scopes. Various children's activities and an exhibition of waterfowl carvings will also be on offer.

April 4-6 Danza Contemporánea de Cuba, Hirschbühler, Toronto. The 25-member modern dance troupe is known for its powerful abductions, exhibited at world fairs in Africa and Spain's flamenco.

April 7-9 Underwater Canada '95, Toronto. North America's largest consumer scuba exhibition will include a film festival and appearances by well-known Titanic explorers Joe Melchior and Robert Ballard.

QUEBEC

March 26-28 Beausejour Maple Festival, Saint-Georges. A celebration of spring in maple country with street performances, sleigh rides, tally and rivers of maple syrup.

March 29-30 Canadian Freestyle Skiing Championships, Mont Tremblant. The nation's best compete in aerials, moguls and sali.

April 6, 10, 13, 17, 18, 22 The Border of Smith, L'Opéra de Montréal. Roush's classic work, with René-Louis Brûlé as Pagan and Linda Macmanus as Rosina, is one of four new productions marking the Opera's 12th anniversary season.

Green with envy

Every March, as golfers in most of Canada get ready to dust off their clubs, the greenskeepers who maintain the courses gear up for their busiest time of year. Even as they gather at the Canadian Golf Superintendents Association's annual Turfgrass Conference in Ottawa this week, much of their attention will remain fixed on weather conditions back home.

Golfing temperatures in southern Ontario early last week had Paul White, course superintendent for the Mississauga Golf and Country Club near Toronto, thinking of an early opening. But his hopes were dashed by a sudden 20-degree temperature drop and a major snowfall. Not only has Mississauga's opening been pushed back to a more typical mid-April, but golfers early in the season may well have to play around some unusual obstacles—large chunks of ice deposited on the fairways by the overflowing Credit River.

In Atlantic Canada, the mild winter was not necessarily good news for golfers, several winter storms brought rain rather than snow, causing ice damage. Blake Palmer, superintendent of Saint John's Rodney Park course, usually manages to open around May 1, but this year he fears the grass may be delayed.

Palmer and White are to be thanked if they are not responsible for the nine-hole course in May River, N.W.T., on the south shore of Great Slave Lake. Carved out of the bush four years ago, the course's original sand greens failed to satisfy local golfers and were replaced by grass. But the grass kept dying off, so the course switched to artificial greens made of carpet, sand and crushed rubber, which permit a mid-May opening date. The lesson for northern golfers may not be as long as it is in Victoria, where the courses never shut for more than a few days each winter. But at least they can play later—in midsummer, there is still light enough for golf after 11 p.m.



■ Golfing in Victoria: a golf course where courses never close

NEW BRUNSWICK

March 29 Symphony New Brunswick presents Ola Harmsy. The acclaimed Canadian cellist will perform Elgar's Cello Concerto, the Overture to *The Marriage of Figaro* and Symphony No. 6 by Dvorák.

NOVA SCOTIA

April 7-10 Stories and Jokes, Neptune Theatre, Halifax. After a run in the provincial capital, the traditional production of one of Shakespeare's most popular plays will go on the road in the Neptune's longest provincial tour in 25 years.

PRINCE EDWARD ISLAND

March 23-26 Women's Senior National Hockey Championship, Summerside. Ten of Canada's top women's teams face

off. The competition will include many players from the national team, winner of the past three world championships.

NEWFOUNDLAND

April 8-9 Editha's Challenge, Bell Island. An exhibit of new inventions and technologies open to all building Editha.

NORTHWEST TERRITORIES

March 21-April 2 Carlton Coronation, Yellowknife. An eclectic collection of events held in Prince Lake in the city centre, including sled dog races and boat races.

YUKON

March 23-26 43rd International Curling Bonspiel, Whitehorse. More than 100 teams from Western Canada and Alaska compete for \$10,000 in cash and prizes.

NEXT

A sampling of upcoming diversions

MOVIES

Don Juan Delirioso Martin Bresto plays a psychologist with a patient (Johnny Depp) who believes he is Don Juan.

Eclipse Toronto director Jeremy Podeswa's first feature views a kaleidoscope of sex in and around a solar eclipse.

Priest A British film about a secretly gay priest who receives a disturbing confession of sexual abuse. *When Night Is Falling* Canada's Patricia Racine directs Henry Caemys as the husband of a diabolique who falls for a circus lady.

Jefferson in Paris Kirk Douglas stars as Thomas Jefferson in another lavish Merchant-Ivory production.

VIDEO

The River Wild Meryl Streep rules the rapids in a shallow but fast-paced thriller.

Mrs. Craven's New Nightmare An ingenious postmodern horror film—about making a horror film. *Whale Music* Meryl Streep is a bereaved rock star in Paul Greenglass's whimsical white-lies tale.

The Secret of Green Peppa Quirky images from the life of a Vietnamese servant.

It's Pat: The Movie A Saturday Night Live sketch that went straight to video.

BOOKS

Our Game John LeClair (Penguin). The master spy novelist turns to good-Germanic Russia with a riveting story of间谍.

Closer to the Sun Gary Drabinsky with Marjorie Wiles McClelland & Stewart. Canada's top importants make his rocky road to success.

Dinner at McBride Ola Solson (McGraw-Hill). Reviewer J. Alexander Gordon-Campbell compares Wiles' Picarrian efforts nine short stories.

Shouting the Wings David Gurnett with Gérard Gauthier Mylne (McClelland & Stewart). A noted journalist attacks the current fad for trend-tie down-cutting.

Simola Ruth Rendell (Doubleday). The mystery writer marks 30 years of the *Ring*. Wasted series with a tale of a missing woman.

AUDIO

Medicine Anne Lennox (BMG). A grand-sirene of pop has selected an eclectic selection of other people's songs, including Neil Young's *Don't Let It Bring You Down*.

Cover to Cover The Jeff Healey Band (BMG). Another album of covers, this time from a Canadian guitar sensation.

Color and Light: Jazz Sketches on Broadway Various artists (Sony). Herbie Hancock, McCoy Tyner and others interpret the songs of a long of musicals.

John Michael John Michael Montgomery (Warner). The singer who became a superstar with *Seven* releases his third album.

Maclean's Claudio Vassalli (John Blott Studios), conductor (Polyphony). A leading Bach conductor and period instruments maestro for a notable recording.



Marjorie Wiles

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 **LEXUS**
The Relentless Pursuit Of Perfection

Wives and warrior queens

A chronic complaint about Hollywood movies is that there are few strong roles for women. Another is that the movies often have nothing to do with the real world. But four new films produced outside North America offer an antidote. They are all stories of women who display heroic resilience in the face of violence and cruelty. All four are母女关系, but each is grounded in a vivid social realism. New Zealand's *Once Were Warriors* is a visceral tale of domestic violence in a Maori household. To Live presents access from a sprightly spirit to three decades of political upheaval in China. Queen of the Desert traces Fatah's 1990s military reign through a jihad-drenched costume epic. And *The Banquet* Gunn re-enacts the trial, and her sorrowful story of Jolisa's most famous sibling, Phoolan Devi.

Once Were Warriors comes from the same country that produced *The Piano* (1993). But there are few similarities between Jane Campion's man versus bird and this emotional urban drama by Maori director Lee Tamakapa. It is the first movie created entirely by, and starring, Maoris, New Zealand's aboriginal people (who only served as part of the scenery in *The Piano*). It is also by far the biggest box-office hit in New Zealand history, still playing in theaters almost a year after its release. For all its exuberance, *Once Were Warriors* transcends its local context to strike a universal chord.

Based on the best-selling novel by Maori author Alan Duff, the story focuses on a severely dysfunctional family. Rosa Owen stars as Bebe, a strong-willed matriarch of five who is viciously beaten by her muscle-bound husband, Jake. (The actress, Mereiwhau, a gregarious creature who could easily turn into a raunchy Jackie's petticoat rags, is foiled by a colonial economy complex, unlike his wife, who can claim a noble Maori heritage; he is determined that his son shall.)

Over 90% of New Zealanders are hard to watch. The scenes of domestic violence—both being literally flung across the room—are graphically played in an unashamed documentary style, without fancy cuts or angles. Director Tamakapa's lack of dramatic subtlety can seem harshly jaded, but his characters are always compelling. As an abused woman who refuses to be a victim, Gina Devlin delivers a bristled and inspired performance, one that matches subtlety that earned a Best Actress nomination at this year's Oscars. As Jake, Mereiwhau em-



Resilient, heroic females dominate four new movies

is going the side of an evading woman who's not afraid to fight.

When Gina's husband, Jake (Alan Duff), squanders the family fortune at the gambling table, Devlin, Gina, learns to support him, finally with a shotgun pepper spray. One night, in mid-performance, a bayonet slashes through the cloth screen on which his puppet shadows are projected, and Gina suddenly finds herself crushed by the Matanzas who fight Mao's Communist revolutionaries. Later he reaches under shirt his entire detachment is ripped out.

The saga weaves through the 1950s—with Gina's bratty sacrificing sons and sons to backyard battles during Mao's Great Leap Forwards—and into the Orwellian shambles of the 1980s Cultural Revolution. Along the way, the stoical Jolisa and her wild husband endeavor

to pass on their legacy, relieved by tender glimpses of vulnerability. And the stubborn affection between husband and wife makes the abuse that much more heartrending.

The narrative is punctuated not by well-drawn subplots involving the couple's three teenage children. The older, Ng (Julian Ashurst), runs off to join a indoctrinocratic Maoist street gang that performs parkour stunts on behalf of taunting rebels. Bassey (Thanglong Kwok) is a sly delinquent who rediscovers his ancestral roots in a strict reform school. And the sensitive Grace (Maiwennanga Kere Bell) seeks refuge in a platonic romance with a disengaged boy who lives in an abandoned car.

Director Tamakapa portrays the struggle underlying all the Maori working-class strife with stirring strokes of compassion and bluster. It is a brutal picture, but one redeemed by uncanny linkages of culture and hope.

To Live, another drama of marital discord, comes from celebrated Chinese director Zhang Yimou. Zhang has painted the screen with indelible images—like the cascading sheets of fresh-dyed silk in *Red Sorghum* (1987) or the snow-shrouded rooftops in *Southern Ax Line* (1991). His film tends to be folktale with a critique of official patriarchy lurking just below the surface. But in 2006, history en folds like a puzzle ofatcharacteristic Zhang's great art. No wonder it has been called a masterpiece.

The movie, which won the Grand Jury Prize at last year's Cannes Film Festival, is an intricate meditation on gender over the sweep of history, much like last year's *Farewell My Concubine*, by Zhang's compatriot Chen Kaige. It begins in the 20th century.

The captivating Gong Li, who has starred in all six of Zhang's films, plays the long-suffering Liu Xun, the wife of the long-suffering Li Sheng, played by Fan Bingbing. Li Sheng, a peasant, is forced to leave his wife and their two sons to become a soldier in the Manchurian army to fight Mao's Communist revolutionaries. Later he reaches under shirt his entire detachment is ripped out.

The saga weaves through the 1950s—with Fan's bratty sacrificing sons and sons to backyard battles during Mao's Great Leap Forwards—and into the Orwellian shambles of the 1980s Cultural Revolution. Along the way, the stoical Jolisa and her wild husband endeavor

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devastating personal losses. But Zhang makes tragedy with farce. In one scene, Poco stabs him, like a Chippendales' moll, through a battlefield steamed with corpses. In another, at a hospital where Red Guards have freed all the doctors, an asthmatic and drugged sickie is a cushioned center piece. Weak but determined, he argues before the court that he is innocent but has suffered immensely.

Throughout the story, the shadow puppets serve as an artful motif. They are an obvious metaphor for the Peach-and-Lady motifs that serve as the film's backbone. But Poco's puppet screen, which holds crowds spellbound in the street, is also a kind of disease—a primitive counterpart of the medium that Zhang has mastered so beautifully.

Queen Margot, based on the Alexander Dumas classic, is a violent melodrama in which the courageous king gets drenched in blood. Unlike *To Live*, it has no scenes of bizarre, horrific violence; stars as Marguerite de Valois, Catholic heir to the French throne, who is forced by the闯着 Queen Mother (Nirna Tove) to marry Huguenot leader Henry of Navarre (Daniel Auteuil) in 1611. Their union is meant to bring peace between Catholics and Protestants, but thousands of Protestants who show up for the wedding are slaughtered. The scenes of carnage, with bodies being dumped into mass graves, are starkly evocative. The movie's various subplots also include throat-slashing, decapitation, stabbing, puking—and, in one novel sequence, the poison King Charles IX seeps blood, profusely.

The sexually voracious Marguerite is a nice girl who just wants to make love, eat cat. She has a torrid affair with a Huguenot hunk named La Male (Vincent Perez), which involves singing off his blood-streaked garments. She also has vaguely incestuous relations with her brothers, including the king, Charles IX (Jean-Baptiste Andréoli), a debauched whorem with fifty lasses who behaves like a junior Hitler berserker. Everyone in Queen Margot desperately needs a shower, except Anne, who looks like a computer model. Director Philippe Chevallier's images—Oliver Stone meets Rembrandt—are fit for, literally. But Queen Margot's overall gory just plain silly.

Bandit Queen (1994). With 100,000 acres, seven miles long, 100-foot-tall mesas, and several hundred miles of trails, the story of Robin hood-like Lydia Proctor Davis, a fierce woman who became the last cowboy in the early 1900s. Much of the film chronicles a brutal series of sexual assaults that begin in her childhood and culminate in a heartily gang rape orchestrated by a heartless thug. Davis becomes a ruthless avenger. Before her 1903 execution in front of 30,000 cheering fans, she was accused of murdering 36 men in a single raid.

Diane Seldes' Katerina presents a starkly utopianistic heroine. Motivated by vengeance, she is a revolutionary by default. Bandit Queen is even harder to stomach than Once Were Warriors. Its tragic narrative is as incomprehensible as the wild landscapes where it was shot. But the film, based on Davis' prison diaries, tells an astonishing story. Released from jail last year, Davis—now a superstar exiling politics—has disavowed her clowns and denounced the idea. As a living legend trying to realize her songs, she might have been better served by Hollywood.

BRIAN D. JOHNSON

A case of infectious terror

GUTTERBACH
Directed by Wolfgang Petersen

and-in-command, Morgan Freeman plays the voice of reason, the officer from Germany duty and consciousness.

The movie has a diabolical effect on the viewer. The first major outbreak of the killer virus takes place in a movie theatre. An as-yet-untitled picture begins compellingly, the camera pictures the gags zooming in slow motion through the air, into the mouths of spectators. The movie clearly shows his way out of the theatre, finally collapsing onto the popcorn counter. Suddenly, for those watching Gutterbach itself, every snout, sneeze and snuffle in the theatre takes on sinister overtones.



■ **Gutterbach**: Battling a mysterious virus and military conspiracy

In the end, however, the codified in-fight about airborne bugs finds its about-face: cyborgs, as Morgan Freeman and Joaquin Phoenix's military conspiracy and cover-ups are exposed. As a science thriller with a doomsday scenario and a climax in deserts, Gutterbach is more exciting than scary. Rickless has never been so much fun. Director Wolfgang Petersen (Das Boot, *In the Line of Fire*) keeps the tension crackled. And the camp is preserved without losing suspense. Rehearsing the words of the National Guard—one chooses to say, "It sounds like a postume one day and your lover will melt in your arms." Coolness is, in fact, a reductionist metaphor for marketing—and for the main phenomenon that every Hitler appears to be. A sequel will be a vector of simple retribution.

B.D.J.

Assessing the damage

Publishers, broadcasters, artists, filmmakers and performers across the country, jittery about the federal budget mood in Ottawa, headed themselves in the woods, leading up to the landmark Feb. 27 federal budget. But they left a sense of relief, if budget day when they first looked at the reductions, which seemed terribly benign. It took a couple of days for the extent of the devastation to become clear—not notably the fact that by 1998, the CBC will be operating with a \$350-million deficit, or one third of its current \$1.1-billion budget. The reduction in a result of \$707 million in cuts imposed by Finance Minister Paul Martin. “\$707 million of reductions imposed earlier by the Mulroney government, and added since [Chretien],” says “A lot of this year’s cuts can be attributed to an effort to reverse some of those earlier decisions,” says Canadian Conference of Arts Councils’ Director Ruth Kelly, whose own board-based library grant will suffer from a 20-per-cent funding reduction to national arts organizations. “We’re in the very early days of this, and we’re trying to get a handle on the casualties.”

Paul Martin
tough talk

Montréal: The Canada Council, which supports a broad range of cultural groups and individual artists, received a relatively light 2.5% cut, one year out to its \$59 million budget. However, after a decade of federal slashing, it announced plans for a six-month reduction two days after the budget was passed. The measure plans for a cutback reducing administrative costs by \$22 million to \$12 million and decreasing *The At Book*, which buys and rents out stage, Canadian works. Under the new plan, the council will raise as \$3 million combined contribution to the budgets of The National Theatre School and the National Ballet School.

In light of the massive cuts to federal transfer payments and social programs, Ontario's recording role in the set sphere is widely seen as unduly significant. Indeed, while the budget's projected three-year cuts total \$676 million, the departments of defense, natural resources and industry will be scaled back in the same period by \$1.6 billion, \$1.3 billion



Paul Martin's budget has signalled tough times for Canadian culture

and \$1.4 billion respectively. Still, while some politicians portray culture as a fringe activity limited to urban elites, the arts and cultural sectors in 2002-2003 employed 660,000 people directly and indirectly, with a \$63.6 billion economic impact.

To many in the culture sector, the cuts amount to economic shortsightedness, says author Peter Bergin. "People can't get into their heads fast what you spend in galleries or theaters or institutes, you're investing in the future of the country," the former *Karen Kain* dancer William Hutton, who was once due to give this country pride—and money. This whole budget is the thinking of church leaders who think artists are lazy and should be digging ditches instead of painting pictures. And some dumb think-thinkers like Tom Hoggard."

Tribeca, established in 1987, invents its domestic film and TV production. Recently, it has reached a deal with Alan Ladd's highly successful *El Mocino* and the plot for the TV series *Dry Season*. But as is usual in Martin's budget, his \$12-million budget will drop 10.2 per cent in one year, with more cuts on the horizon and yet another review of its internal policies. Veteran filmmaker Roman Polanski, co-producer with Montreal's CINÉ-Québec of blockbusters *TV movie*, *Robin Hood: Prince of Thieves* and *Quigley Down Under*, received \$1.2 million of the current \$19.4-million budget allocated to him.



Magnusson rock; National
Gallery (opposite);
William Deller Silvers Dept;
Almost every area of
the city will feel the results
of the department of
Canadian heritage

Magnusson Galleries, National Gallery (Opposite);
William Butler Nesbitt (Top);
Almost every year of the
arts will find the models
visits to the department of
Canadian heritage

Demand television production is increasingly going abroad. Broadcasters fight hard to hold their own as standards are diminished by foreign producers. Broadcasters have accessibility because of local subsidy, which guarantees a broad community newspaper, has been. Catherine Kiesbie, president of the association (KMPA), says that the \$19.2-million fund over two years is "We will have gone from \$220 million

"And he loaned that a new program to replace the old," says Dickey. "It will be built around a greatly reduced basic figure—further by capturing the domestic magazine industry."

The ownership of today's magazines, GWT and *Child*, are most Canadian periodicals, yet they depend on the postal subsidy for their continued success. Publisher David Davy notes that increased mailing costs mean that publishers have little option but to pass those on to consumers. "We know from experience that if you increase your price by any percentage, the percentage of your readership drops by the same amount," he adds. "We saw that happen with the *Globe & Mail's* magazines, which have a combined circulation of 200,000 in Canada and 35,000 in the United States, as we approached their 20th anniversary." But it just seems to get worse and worse," Davy says. "All those accolades we've won don't seem to translate into backs on the bottom line."

The study is much the same for book publishing, which derives most of its support from Heritage programs. "We've seen cuts by 60 percent in one year," says Bill Hartman, president of the 16-member Association of Christian Publishers (ACP). The Book Publishing Industry Development Program and the Publications Distribution Assistance Program together dropped to \$3.8 million from last year's \$8.4 million. "It's devastating," adds Hartman. "Some smaller companies will no longer be able to function." Strategic officials have issued no warning of the severity of the cuts, he added. "We were completely taken by surprise," he says.

One ACT member that expects to live the cuts deeply is University Books a small literary publisher based in Dauphin, MB east of Ottawa. Established in 1985, Commercial Press Books, a notoriously difficult area in which to profit, its stars includes Nalo Hopkinson, whose *Love of Last事物* was the Governor General's Literary Award, Charles Foran, whose *Whitewash* was named a National Bestseller, and Canada First Novel Oakland Blue, whose Steinbeckian collection, *Guerrilla Beach*, won the Governor General's Award. "These cuts come as a blow," says a spokesperson, adding up to 40 per cent, when there are also a staff cut and no new books. "says Commercial publisher Jim Gosselin, who has been in the field of non-fiction publishing and small literary publishing for many years, "where young writers build in audience and sell well, and I think that function is quite critical." These cuts mean a reduction in the possibility of introducing a literary voice. Younger not so willing to take a chance on a serious literary bent have a limited budget of opportunity".

the country's national museums say they may have to cut country services, making them less "transientized." And institutions are concerned about the 10 percent reduction to the *President's* Program budget, from \$55.7 million to \$50.2 million, director of the New Brunswick Museum in Saint John, NB, which funds several projects, travelling exhibitions and collections acquisitions for roughly one-third of its institution's budget. "For us, it's vital," he says, adding that the money will go toward smaller acquisitions and permits to programs in the walls of his building. Last year, using \$300,000 of MNC New Brunswick Museum and four other institutions' collective spending, touring exhibition *An Acadian Life*. His next stop is in Caraquet, NB, in the heart of the cold, says Millette. "The institutions will be left in the cold," without this program, and the provinces "concentrate inappropriately on deficit reduction" as they try to protect their universities by cutting their contributions to the economy. The Winnipeg author Card Shaheen suggests that politicians target the cultural sphere since people are probably about the most fragile strands of art. "Politicians don't understand," she says, "and many in the arts have become apathetic." People say, "How can you talk about culture when there is a world war?" Well, I wouldn't integrate cultural matters to where a second-career part of our workforce. We can have all those things together." With the latest budget, however, the cultural part



Who says Canada is dull?

BY ALLAN FOTHERINGHAM

One of the abiding myths out there in Vancouver is that Canada is the dullest place on earth. The British press dwells on it. Everyone in Washington believes in it. The French in France can't believe the Quebec accent. They are, of course—all of them—out to teach. As Pierre Berton and Peter Newman have tried to tell us, Canadian history, in fact, is so interesting that not even high-school teachers have managed to dull it.

Our first prime minister and father of the country was not consumed by gout but he used to smoke while at a campaign podium. Our longest-serving leader and never married used to carouse with his dead mother and his dog. John Diefenbaker used to pretend he was a teetotaler while he was not. Joe Clark lost his underwear. And so on.

The myth of blandness continues today. This is an extremely pokey country, as witness as B.C. or Newfoundland. It is only the overlay of weather that gives the impression of calm.

Aubrey and Castille, currently being reviewed via video cassette, could do justice to the current Quebec scene. What's an first? The separatists, who can't tell us the date of the referendum that will break up the country, now can't decide on the wording of the question so how we are going to break up the country and whether they want to keep the Queen on the dollar and Canadian passports and the price of eggs and what's an interest rate.

Mr. Bourassa, knowing the separatists can't win and the present polls, wants the war delayed while Mr. Pearson, who clearly has a suicidal intent, seems to want it to proceed this year—somehow, somehow, with warring sides of some sort, a mystery wrapped in a riddle, a mystery, neither the overwhelming Pearson poll.

In Ottawa, for cheap what is the finance minister doing? the man who created the Liberal welfare state in the 1960s—he must insist Tory red is now down at the tail being cut off for a skeggen stripe suit that will allow him into the Albany Club



of Toronto, where all Conservatives go to die. The subways threaten to go on strike, as they always do. The president of the CEC resigns, the only man of principle as Ottawa so far as recent times because he was asked that certain Canadians had ten to live. Conservative senators had all the time, as we know, and are suddenly announced as when someone points a gun.

If there is anything lazier than what is going on in Canada, it is a country that is accused of being dull—a country that is part United States television industry that is changing Ontario with one of the stinging reversals by removing an oil refinery in Sarnia from the site of a Canadian station. Poor elephant. Being booted by the mouse.

This country dull? The overpaid hoffess sitting in Ottawa offices have an interest in the marketing of fish oil Newfoundland said that they now will grant oil across the towns of

Spanish ships? Brian Tobin or St. Francis Drake? You gotta laugh? Does he know bawd? Who else in the Liberal cabinet can you recall?

The government of all the people has killed the tree, thus stopping the railway activity that encouraged Prairie farmers to ship their product to either Thunder Bay and up the St. Lawrence Seaway or to the Pacific port of British Columbia. This will result in the wheat grain down south through the Midwest to New Orleans. This is regarded as progress.

The Vancouver Canucks, who somehow made it to the Stanley Cup final last year and have the most exciting players in the NHL, to Paul Hornsby have been surpassed by an American biffleburger who could not be bothered to attend the opening of the announcement. When the Canucks were first allowed into the NHL, they were bought by an American knucklehead, Tom Sestito, who later went to jail for relevant junky-punko. This is regarded as progress.

More than half the Canadian population, and two-thirds of English-speaking Canadians, are presently settled in Nova Scotia—Saskatchewan—while the country is moving to the right, following Newt Gingrich. And they think this country is dull?

This is the only country in the world that has two football teams in the same league with the same name. This is the only political jurisdiction known that has a party with the expansive title of "Progressive Conservative."

It is the only place in the universe—Gatineau—as far as is known, where you have to go to one place to buy beer and another place to buy dry liquor. Dull? Canada!

It cannot be a dull dull being load-after having centralized the game of hockey—allowing it to settle into the metric ice arenas of Tim Horton's, Joe Zee and Anatole, and now raising the Canadian Football League the toys of millionaire in Memphis, Jackson, Phoenix and possibly Seattle, not racetrack Copenhagen.

Any town of a population of a mere 39 million that has some 36 cabinet ministers while the Yanks, with 300 million can get along somehow with only 22, cannot be described as dull.

This is a unique country, the ruling Liberals are basically conservative, while their only opposition is a Quebec rump that wants to break up the country and a Western rump that tries to pretend Quebec doesn't exist.

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